

British
Columbia
Telephone
Company
Annual
Report
1975



The Fourth Quarter... of the Century

For B.C.Tel, the year 1975 was a year of change and of uncertainty, two qualities which may well characterize the fourth quarter of this century. It was not a novel environment for the telephone company.

If, in fact, 1975 was a telescopic preview of the balance of the century, the ability B.C.Tel demonstrated this year to function effectively in circumstances of continual change and in an atmosphere of uncertainty augur well for the Company in the years ahead.

It is an axiom of the telephone business to expect the unexpected. A line-snapping ice storm, a prolonged postal strike, a wave of vandalism, a sudden rush of home buyers to a remote subdivision all provide challenges which must be met, accommodated and dealt with in an almost-routine manner.

While accidents and incidents will continue to play a part in the operations of the Company in the last quarter of the century, it is the element of uncertainty which will provide the more serious challenges. B.C.Tel is accustomed to uncertainty.

For three and a half years, B.C.Tel lived with the Provincial Government's threat of takeover. For eight months in 1975, there was uncertainty as to the outcome of a rate application, the approval of which was vital. In the last quarter of the year, the Federal Government's Anti-Inflation Guidelines introduced an element of change, a random shock, the effects of which are still being assessed. In the final month of the year, a new Provincial Government was returned to office, bringing with it a campaign promise to seek provincial jurisdiction over the regulation of B.C.Tel.

Although this Company operates almost wholly within the boundaries of British Columbia, its operations can be affected by events and forces outside those borders. The discovery of a new offshore source of copper, for example, could have profound effects on the British Columbia mining industry and on that part of B.C.Tel's business which is tied to the expansion, or otherwise, of the mining industry in B.C. The election in the United States of a President who, as a plank in his election platform, advocates the provision of housing on a massive scale, could have immense repercussions on the forest-based economy of this province which would affect almost every aspect of B.C.Tel's planning and operations. World-wide inflation has produced countermeasures by governments which already have impacted on this Company and its employees.

It will be the ability of B.C.Tel to absorb and react appropriately to random shocks of this order which will determine its success in meeting the challenges of the final quarter of the century.

On the basis of its experience in operating within the constraints of regulation; on the basis of its accomplishments while responding rapidly and reasonably to the unexpected and on the basis of its adoption of imaginative, flexible overall planning, B.C.Tel can look to the balance of the fourth quarter of the century with some considerable degree of confidence.



British Columbia Telephone Company

Incorporated by Special Act of the Parliament of Canada, April 12, 1916

Eighty-Fourth Annual Report 1975

The Report at a Glance

Financial

Revenues, Expenses and Earnings

	1975	1974
Operating revenues	\$360,687,000	\$302,873,000
Operating expenses	\$286,070,000	\$243,130,000
Earnings before interest and other deductions	\$ 81,274,000	\$ 64,301,000

Invested Capital

Average invested capital	\$942,779,000	\$816,802,000
Return on average invested capital	8.62%	7.87%

Ordinary Shares

Share earnings	\$ 26,859,000	\$ 18,756,000
Earnings per average share	\$ 1.43	\$ 1.11
Dividends declared per share	\$.84	\$.84
Equity per share	\$ 12.70	\$ 12.16
Average shares outstanding	18,832,245	16,845,540

Gross Plant Additions

\$230,241,000	\$201,484,000
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Other

Telephones and Employees

Telephones in service	1,473,183	1,383,202
Telephone gain for the year	89,981	101,547
Number of employees	13,122	13,999

Report of Directors



J. Ernest Richardson
Chairman

Basil A. Beneteau
President and Chief Executive Officer

In spite of the uncertainties of regulation, the pressures of external forces and a harsh economic climate, B.C. Tel in 1975 maintained its thrust towards the provision and maintenance of a first class telecommunications service in the province, while at the same time undertaking imaginative and realistic planning for the future.

That it was able to do so was due in a large part to the dedication of our employees who, in the most difficult circumstances, continued to seek opportunities to improve service while controlling costs.

Financial Performance

It was this ability to control costs which produced a significant change in our record of financial performance. For the first time in three years, the rate of increase of expenses fell below the rate of increase of revenues.

Equally significant in the financial performance of the Company was the effect of rate increases which went into effect during the year.

Increases in Canada-U.S. toll charges from April 1 and increases in interprovincial tolls from August 1 also contributed to the improved year-end revenue picture.

An indication of the steady improvement of our financial results throughout the year can be obtained from a comparison of quarterly earnings per average ordinary share outstanding. Earnings per share rose from 18 cents in the first quarter to 27 cents in the second quarter, to 43 cents in the third quarter and ended at 55 cents in the final quarter, contrasted to 23 cents, 28 cents, 35 cents and 25 cents for the same quarters of 1974.

For the first time since 1958, earnings in the first quarter were less than the amount required to cover the ordinary share dividend.

At that time it was stated that it was the intention of the directors to maintain the dividend at the current level and to undertake measures which would bring earnings back to a more acceptable level.

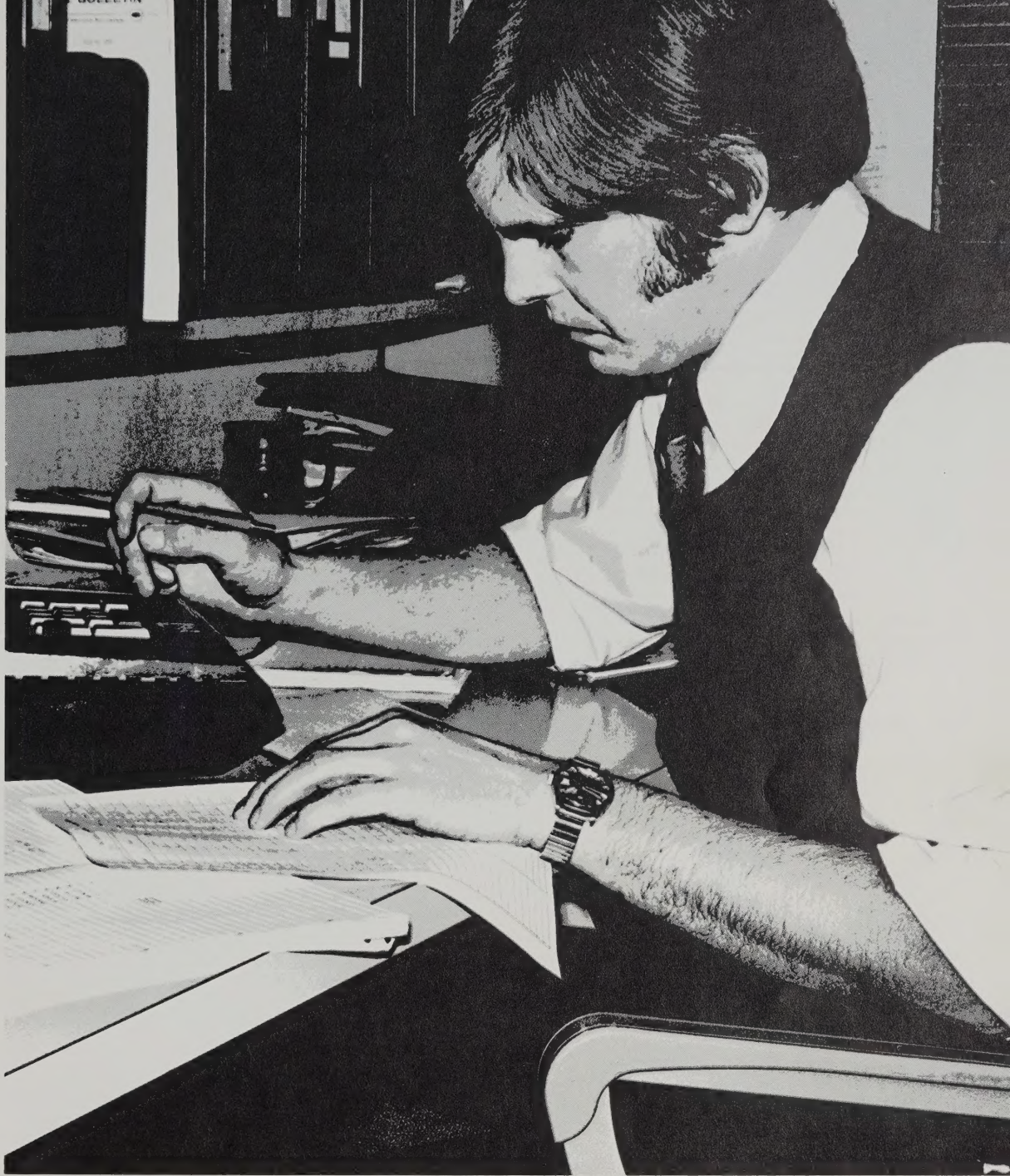
Both objectives have been achieved.

Earnings for the year amounted to \$1.43 per average ordinary share compared with \$1.11 per share in 1974.

The rate of return on average invested capital reached 8.62% compared with 7.87% in 1974.

Even with this improvement, the Company failed to achieve what the Canadian Transport Commission in its decision of November 3, 1975 described as an 'appropriate range of permissive rate of return on the total average capital' of the Company of between 9.5% and 10.0%; nor did our 1975 rate of return on average ordinary equity of 11.62% attain the range of from 14% to 15% to which the Commission stated it 'would have no basic objection'.

Encouraging as our fourth quarter results have been, the prospects of achieving the Commission's permissive level in 1976 seem remote since we will be faced with a built-in inflationary factor of a 14% wage increase during 1976, the second year of the two-year agreement with the Federation of Telephone Workers of British Columbia, as well as inflation affecting all Canadians which is not expected to drop dramatically or rapidly.



Randall Panter
Rate Analyst

Operations

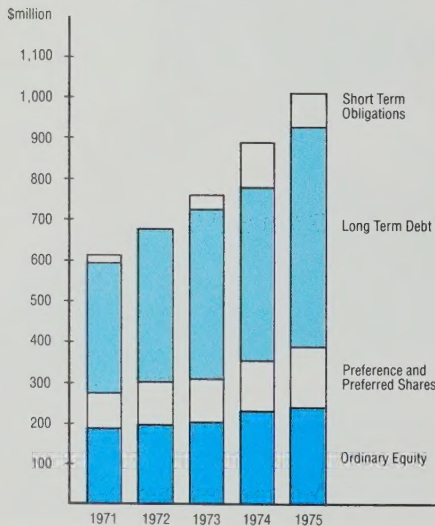
The faces of the five employees shown on the pages accompanying the Report of Directors have one thing in common — a concentration on the task at hand whether that task was preparing material for a rate application; drawing a wave guide for microwave transmissions; testing a large electronic common control switching unit; pulling a cable over difficult terrain or installing a decorator telephone in a home. The result of their efforts and the efforts of the 13,117 other employees of the B.C.Tel system has been a year of record accomplishment in all areas of operation and improved service to our customers.

Financing

The problems of meeting the Company's daily obligations and providing funds for our record construction program were eased somewhat by the broadened range of financing options open to the Company as a result of amendments to our Special Act of Incorporation approved by Parliament in late 1974.

At the Annual Meeting of March 13, 1975, shareholder approval was given to the restructuring of the capital of the Company, providing for expansion of capitalization limits and creating new classes of preferred shares. Approval was also given for existing ordinary shares to be split five for one, establishing a new par value of \$5.00 per share. On June 26, 1975, the ordinary shareholders of the Company sanctioned the change of the ordinary shares with a par value of \$5.00 to ordinary shares without par value.

Capital Structure



On September 30, 1975, the Company issued 1,200,000 or \$30 million of 10.16% Cumulative Redeemable Preferred Shares for the purpose of repaying short-term loans outstanding at that date.

In the course of the year, the Company issued First Mortgage Bonds totalling \$120,000,000. Details of the various issues are contained in the Notes to Consolidated Statement of Capitalization in the Financial Statements.

Regulation

Rate Applications

Regulation was an ever-present factor in B.C. Tel's corporate activities in 1975. The year began with the January 16 decision of the Canadian Transport Commission on our application of March 28, 1974 and ended in December with our request for approval of tariffs granted November 3, in connection with our application of March 17, 1975. In between, we applied for and were granted an interim increase which took effect August 1, 1975.

For this Company, with a history of restraint in requesting rate increases, our two appearances before the regulatory body within a twelve month period indicated the severity of the situation in which uncontrolled inflation had placed us.

By the time the Company appeared before the regulatory body in September, our financial indicators were at or dangerously close to the point where it would be difficult and expensive to obtain the capital which had to be raised externally for the construction program.

The Company argued that the interests of British Columbia and of the telecommunications system which serves

the people and the industry of the province clearly required the financial stability which the rate increase sought.

It was gratifying to have the Canadian Transport Commission recognize the validity of the Company's argument and agree that the requested increase should be granted. That the Company did not, in fact, receive the full amount of the original award is unfortunate. This was the effect of an amendment in the award resulting from the imposition of the Federal Anti-Inflation Guidelines at a critical point in the processing of the decision. But this does not detract from the recognition by the CTC of the Company's need to improve its ability to compete for funds.

The Federal Guidelines

B.C. Tel was the first regulated company to feel the effects of the Federal Government's Anti-Inflation Guidelines. The public hearing on our application of March 17, 1975, was held in Vancouver from September 17 to September 25, with a decision promised by mid-October. In fact, by October 13, the date of the announcement of the guidelines, the CTC had arrived at its decision effectively approving the entire increase applied for. However, to conform to its interpretation of the guidelines, the CTC placed an addendum on the decision which reduced the total dollar amount of the award by approximately \$6.7 million.



Hee Jung Choi
Draftswoman

Operations (continued)

Long before detailed design work can begin, the additions to the system which are needed to meet growth and customer demand are carefully calculated by each division of the Company and by OKTel. The Company's ability to raise capital for its overall construction program determines the actual amount which can be allocated to each area. In 1975, the major portion of the \$230 million construction budget — an amount of \$129.7 million — went to serve the heavy concentration of population in the Coastal Area. There was an investment of \$35.6 million in the Island Division; a total of \$24.9 million in the Interior Division; \$20.5 million for the Northern Division and \$12.9 million for fast-growing OKTel.

In commenting on the necessity of making this adjustment, the CTC in its decision of November 3, said,

"As we read the guidelines as they stand, they do not appear to be sensitive to the requirements of a regulated public utility such as a telephone company which has little flexibility in its obligation to provide service, which is heavily capital intensive and which is dependent upon ability to compete in the financial markets for roughly 50% of its capital requirements."

The Commission also noted,

"We feel a responsibility to point out that measures which will impair the Company's ability to compete for funds in the financial markets may well result in a serious deterioration of telephone service in British Columbia. We should further point out that the difficulties which the Company finds itself in vis-à-vis the guidelines are a classic example of the problem of regulatory lag."

The Commission, in effect, recommended that the Company place the matter before the Anti-Inflation Board for interpretation and indicated that if the Company does obtain exemption from the guidelines, the Company may file tariffs implementing rate changes to the extent authorized, up to the maximum amounts approved in the decision.

The Anti-Inflation Act, when finally passed, provided that the legislation enacted by Parliament to define the guidelines to be used in the fight against inflation was to be interpreted and applied by the normal regulatory body, in our case, the Canadian Transport Commission.

At the time of writing this Report, we are awaiting the results of a review of the addendum to the Commission's decision of November 3 as it relates to the level of revenues deemed essential to the financial health of the Company. We have requested this review in light of the conclusions contained in the addendum.

The 'Pelletier' Review

In February 1975, at the request of the Provincial Government, the Federal Government undertook a review of the procurement practices and policies of B.C. Tel and of the intercorporate financial relationships of B.C. Tel and other affiliates of General Telephone & Electronics Corporation of New York, including Anglo-Canadian Telephone Company, B.C. Tel's principal shareholder.

The Review, which was prepared by members of the Federal Department of Communications, was tabled in the House of Commons on July 10, by the then Minister of Communications, the Hon. Gérard Pelletier.

Conclusions drawn from the Review by both Federal and Provincial Ministers of Communications received widespread publicity and figured prominently in the public hearings on our applications for an interim rate increase and the full increase.

In the course of the September hearing on our application of March 17, Company witnesses dealt at considerable length with inaccuracies in the Review and with unwarranted inferences. It was extremely gratifying to have the Canadian Transport Commission confirm in its decision on our application that B.C. Tel's procurement policies and practices have not been detrimental to our subscribers. Our long term program for conversion of the system from electro-mechanical to electronic technology, which had also been questioned in the context of the Review, was judged by the Commission to be in the best interests of B.C. Tel subscribers.

Discounts for Old Age Pensioners

As part of its application for rate relief, the Company had suggested a discount of 50% on basic telephone service for Old Age Pensioners who were in receipt of the Guaranteed Income Supplement.

The Company's intention was praiseworthy but, as the CTC pointed out in its decision, our suggestion was a program of social assistance which should be supported by some level of government but could not be supported or subsidized by one group of subscribers to the benefit of another group.

The entire problem of relating to the social needs of a community is a particularly difficult one for any utility which is providing an essential service. While we have yet to arrive at a solution to the problem, we recognize that it is one of the many problems which will have to be solved in the not too distant future if the public interest is to be better served.



Robin Johnson
Installation Supervisor

Operations (continued)

The provision of central office switching equipment, including the electronic common control unit pictured above, took a large portion of the 1975 construction budget — a total of \$61.6 million. Outside plant, which includes aerial and underground cables, added \$58.3 million to the expenditures for 1975 and to provide equipment and connections for our customers, we invested \$55.3 million. Expansion and improvements of toll facilities including additions to the radio networks took \$32.4 million and we invested \$22.6 million in land and buildings, including the 1975 allocation of the cost of the new headquarters building, an amount of \$6.6 million.

Okanagan Telephone Tariff

In the course of the public hearing the Company advised the CTC of its intention to file a rate application with the British Columbia Motor Carrier Commission which regulates Okanagan Telephone Company. The purpose of the application would be to revise the OKTel rates to the same levels as those established for B.C. Tel by the Canadian Transport Commission.

Planning

The E.C.C. Conversion Program

The requirements of a completely flexible program of conversion to modern electronic switching equipment underlie the Company's need for additional revenues. B.C. Tel is moving forward very rapidly toward an objective of a total installation of Electronic Common Control equipment (E.C.C.).

The program, which began in 1971 with the start of installation of the C1-EAX units and continued in subsequent years with the installation of the large #1 EAX units, has as its objectives a total of 50% of local switching on E.C.C. by 1980, 75% by 1985 and 90% by 1990, with toll switching centres converted to E.C.C. within 12 years.

Purchases of step-by-step equipment will virtually end this year and any additional step-by-step equipment required from that point on will come from offices which have been converted to electronic switching. The program takes advantage of B.C. Tel's long-standing policy of standardizing step-by-step equipment throughout the system.

The program is designed to be completely flexible so that any new technology which may be developed can be introduced in the system in the most economical fashion.

Operations

Cost-Cutting Study

An exhaustive cost-cutting study, conducted by B.C. Tel managers in 93 sections or units which support corporate functions, successfully identified cost reduction ideas totalling about \$2,000,000 annually without sacrificing essential services. The program, known as the Overhead Value Analysis program (OVA) was directed at job activities not directly related to providing telecommunications services to customers. It was a logical extension of the Performance Improvement Program which has been beneficial in the review of operational activities and which has resulted in another \$3,500,000 saving in annual expenditures.

Cost-Recovery Programs

During the year B.C. Tel initiated several programs and policies aimed at limiting costs incurred in some on-demand customer services and at recovering some portion of the costs of other services from the recipients of the services.

A deterrent charge of 25 cents for Directory Assistance calls requesting numbers contained in the directory; limiting verification service to emergency situations; the introduction of a 1-1/2% monthly service charge on overdue accounts; the elimination of the subsidy to collection agencies; and reduction in the number of directories supplied through a formula distribution system were among the cost-limiting and cost-recovery

programs which helped improve the Company's financial position by year end.

Cost-Saving Programs

The financial savings from the increased productivity of the Phone Mart project in Vancouver's West End, as well as its enthusiastic acceptance by customers, prompted an expansion of Phone Mart that will see this concept introduced to four centres in the province this year and to four additional centres by the end of 1977.

Like the Left In Facilities and Equipment program (LIFE) which gives the customer the option of accepting existing equipment when moving into previously occupied premises at a lower cost for establishing service, the Phone Mart concept speeds service to the customer and frees staff for other work. The long range objective of such programs is to allow the Company to hold the size of the work force at a reasonable and economic level in the future.

Construction

As in the past few years, the primary thrust of our construction program was to provide for growth and meet demand in local and long distance service.

The record \$230 million construction program provided each division of the Company, as well as OKTel, with increased budgets for 1975. High population areas, particularly in the Lower Mainland, were targets for the heaviest investment in facilities as the Company contended with the still-rapid increase in both growth and demand.

We installed additional facilities and equipment for private line service, foreign exchange service, data transmission, TWX service and for radio and television networks. Direct Distance Dialing was extended to its practical limits and Automatic Number Identification became available on more than 98,000 additional lines during the year.

Our program of conversion to Electronic Common Control switching equipment continued during 1975 with #1 EAX units in the Mutual, Fairfax and Steveston exchanges. The second and third Traffic Service Position System units went into operation early in the year and the system now serves some 600,000 B.C. Tel customers in the Lower Mainland area.

New Headquarters Building

Work continued on our new headquarters building in Burnaby during 1975 and we look to occupancy early in 1977. The building will bring together the more than 2,000 head office and administrative personnel now working out of a dozen different office buildings in Vancouver. The building will be owned by 70,074 Limited, a wholly-owned subsidiary of Canadian Telephones and Supplies Ltd. and will be leased to B.C. Tel. The total cost of the building is estimated at \$32 million, to be disbursed over the entire period of construction.

Service

Significant improvements were made in many service areas in 1975. The time required to provide initial service was reduced as was the time needed to repair troubles. We improved our ability to provide the faster service requested by customers as well as the more sophisticated service offerings.

Increased and expanded toll facilities, the result of construction programs of this and previous years, provided toll customers with improved service in many localities.

Employees

The bottom line of a financial statement is something like the reading on a clinical thermometer which gives the patient's temperature. A specialist in either finance or medicine can interpret the appropriate figures easily and, sometimes, accurately.

In our case, the figure on the bottom line gives no indication of how hard our employees worked during the year to find ways to control costs while maintaining service. The bottom line

doesn't measure the disappointment of the several hundred university undergraduates who normally depend on B.C. Tel for summer employment and found that there was no work for them in the summer of '75.

The bottom line doesn't measure the feelings of our employees, many of whose jobs depended on a favourable outcome to our rate application, who simply carried on with their work of providing good telecommunications services to the people of the province during the months of uncertainty. And, certainly, no one will welcome the good news contained in the bottom line of this year's statement more than those same employees whose efforts contributed so much to achieving this result.

The cancellation of programs requiring temporary increases in staff and normal attrition were responsible for a significant decrease of over 6% in the Company's total work force by the year end.

Labor Settlement

Following months of intensive negotiations between the Company and representatives of the Federation of Telephone Workers of British Columbia, a two-year working agreement, recommended by a Federal Government Conciliation Commissioner's report, was accepted by both parties. Changes include an 18.5% wage increase effective January 1, 1975 and a further 14.0% increase effective January 1, 1976 based on 1975 wages. When other benefits are included, the annualized increase resulting from the two-year agreement approximates 40.0%.



Robert Weston
Installer-Repairman

Operations (continued)

Keeping the public easily accessible is important, as installing a new telephone or a computer is something that the city of Vancouver and various public safety agencies rely on. The introduction, by the spring of 1976, of a 911 single-emergency number system. Some of our employees served our customers on a door-to-door basis. For many the contact was through the medium of the telephone, mail or by mail, while others worked in shops and shops removed from a narrow contract. Whatever their roles, all of our employees made a direct, meaningful contribution to maintaining and expanding telecommunications service in British Columbia in 1976. While some, concerned that they had to keep their minimum.

Executive Changes

Important changes at the senior executive level of the Company became effective January 1, 1976.

J. Ernest Richardson, Chairman and Chief Executive Officer retired as Chief Executive Officer and continues as Chairman.

Basil A. Beneteau, President, became President and Chief Executive Officer.

Jack C. Carlile, formerly Vice-President — Administration became Vice-President — Operations.

Terence F. Heenan, formerly Vice-President — Operations became Vice-President — Corporate Development.

Gordon F. MacFarlane, formerly Vice-President — Corporate Development became Vice-President — Administration.

D. Barry McNeil, formerly Vice-President — Finance became Vice-President — Supply, Transportation and Buildings, a new position.

Mrs. Jean E. Scott became Assistant Secretary.

At its meeting of January 20, 1976, the Board of Directors paid tribute, in the form of a resolution, to retiring Chief Executive Officer J. Ernest Richardson for 'his devoted service as senior officer of the Company' and 'his singlemindedness of purpose' during 'a very difficult period in the development of the Company' which nevertheless saw the Company participate 'in every major growth pattern in the Province' and 'achieve very significant results.'

It was resolved unanimously 'that this Board, representing all of the shareholders of the Company and all of the employees of the Company,

hereby indicates its gratefulness to Mr. J. Ernest Richardson for his service as Chief Executive Officer from August 30, 1963 to January 1, 1976.'

Our Directors

Two new directors were elected to the Board at the 83rd Annual Meeting of the Company held March 13, 1975.

The election of John W. Pitts, Chairman and President of Okanagan Helicopters Ltd. and Horace B. Simpson, a Vice-President and director of Okanagan Holdings Ltd. brought to eleven the number of directors, all of whom are Canadian and resident in British Columbia.

Looking Ahead

It would appear that 1975 marked a turning point in the recent history of the Company's financial affairs and that they, in common with the economy in general, are on firmer ground. Although we are heartened by the results, we recognize that 1976 will bring its own share of problems including continuing, if somewhat modified, inflationary pressures.

The impact of the Federal Government's Anti-Inflation Program on the general economy has yet to be measured with any degree of accuracy. For us, the immediate effect, as noted earlier in this Report, was a reduction in the maximum operating revenues which will be permissible in 1976. Although we support the principle of this anti-inflation program, we must emphasize the CTC's observation that the guidelines 'do not appear to be sensitive to the requirements of a regulated utility such as a telephone company'.


We are conscious of the need to improve our debt-equity ratio and to that end we will be examining very closely all practical and permissible methods of increasing the attractiveness of our equity offerings.

In the area of operations, we are excited about the potential of our Electronic Common Control conversion program. There is no doubt in our minds that when this program is further advanced we will be offering more of our customers the benefits of the latest technology than any other telephone system in Canada and we will be doing it economically from the customer's point of view and profitably from the Company's point of view.

Apart from its benefits to the customer, the E.C.C. program offers all of our employees the stimulation of working and learning in a changing and challenging environment. We are confident that our employees, at every level, will welcome this particular development.

We are also confident that the changes and challenges which will face the Company in the final quarter of this century will be dealt with as effectively as were those of 1975.


Chairman


President and Chief Executive Officer
February 27, 1976

Financial Report

The various financial statements that follow are designed to impart as much information as practical in terms that are commonly used in the telephone industry in Canada. For a more complete understanding of this report, reference is made to the Notes to Consolidated Financial Statements on pages 23 and 24.

Operations

Operating Revenues

There were consistent gains in virtually all revenue categories in 1975, with the greatest improvement coming in the latter months of the year as the economy struggled out of a recessionary phase. Overall, the 1975 revenue total of \$360,687,000 was 19.1% above 1974 revenues, compared with growth in that year of 17.0%.

Local service revenues of \$154,956,000 for the year were 19.9% more than in 1974. Together with the addition of 89,981 telephones that took place in 1975, approved rate increases implemented in January and August did much to keep local service revenue growth in line with requirements.

Toll service revenues also benefited from the restructuring of rates although the volume of long distance calls fell somewhat short of expectations due to spending cutbacks by both business and residential consumers. The \$194,905,000 derived from toll services during 1975 was 19.4% more than in 1974, compared with that year's 23.1% increase over 1973.

The fuller impact of recession was evident, however, in directory advertising revenues included in the miscellaneous category, which showed a growth of only 13.7% overall. Also indicative of the state of the provincial economy this past year, and of the financial plight of many consumers, was the sharp increase in uncollectible accounts to \$4,463,000, or 47.3% more than in 1974.

Operating Expenses

Reference is made in the Report of Directors to the various measures taken by the Company in 1975 to drastically hold down expenses. The results of these efforts are seen when comparing those items listed under Operating Expenses (Maintenance, Depreciation, Traffic, Commercial and marketing, and General and administrative) which comprise the controllable cost areas of our operations. In total, these expenses amounted to \$236,647,000 in 1975, or an

increase of only 14.7% for the year in comparison with an 18.8% increase experienced in 1974. The factor of an 18.5% wage increase for the majority of employees that is included in 1975 expense totals underscores the effectiveness of the cost control measures that were undertaken.

Taxes

The Company's total tax bill for 1975 amounted to \$49,423,000, or 34% more than in 1974. Taxes payable to provincial and local authorities, combined with payments to federal social security funds, totalled \$17,694,000. This was 29.4% more than was paid in 1974, whereas the total of federal income taxes assessable against the Company for 1975 was determined to be \$31,729,000, or 36.7% higher than

for 1974. In all, the tax burden for the year just past may be represented as having amounted to \$2.88 of the monthly charge for the average telephone in service during 1975.

Other Income

The 1975 increase in other income, to \$6,657,000 from \$4,558,000 in 1974, was partially due to the growth in the Company's capital program and the resulting credit allowance for funds used during construction. Also accountable for the increase was the commencement in March, 1975, of service charges on overdue accounts, implementation of which was approved by the Canadian Transport Commission earlier in the year. Total overdue account charges for 1975 amounted to \$1,501,000.

Summary 1975

Operating revenues	\$360,687,000
Operating expenses , other than taxes	236,647,000
	124,040,000
Taxes	49,423,000
	74,617,000
Other income	6,657,000
	81,274,000
Interest and other deductions	47,365,000
	33,909,000
Extraordinary income item	973,000
	34,882,000
Dividends on preference and preferred shares	8,023,000
Ordinary share earnings	\$ 26,859,000

Interest and Other Deductions

Despite some easing of interest rates overall in 1975, the total cost of borrowing funds increased by 20.4% to \$47,365,000 from the 1974 total of \$39,341,000. An unprecedented number of first mortgage bond issues was recorded during the year and the level of short-term funds required as interim financing reached new highs, notably during the latter months of 1975 as the Company overcame cash shortages resulting from the postal strike.

Extraordinary Income Item

Net earnings of \$33,909,000 in 1975 were augmented by an item of extraordinary income in the amount of \$973,000. This represented interest received in connection with tax refunds from Revenue Canada Taxation, relating to the years 1969 through 1973, as final settlement of claims by the Company.

Ordinary Share Earnings

Dividends on preference and preferred shares in 1975 increased appreciably to \$8,023,000, or 29.3% over 1974, due to the effect of additional preferred share issues in the fall of 1974 and on September 30, 1975.

After provision for the above dividends on preference and preferred shares, the balance of earnings available for ordinary shares totalled \$26,859,000, or \$1.43 per share, compared with \$1.11 in 1974.

Dividends on Ordinary Shares

After taking into account the subdivision of ordinary shares on a five-for-one basis in early 1975, dividends declared for the year equalled \$.84 per share or the same as for 1974. The total dividend appropriation in 1975 was \$15,819,000, leaving a balance of earnings of \$11,040,000 to be retained for use in the business.

Rates of Return

Average Ordinary Equity

A return of 11.62% on average ordinary equity in 1975 represents a welcome recovery from the deterioration in earnings that occurred in 1974 when the rate of return had dropped to 8.97%. Nevertheless, our 1975 achievement fell short of the range indicated in the January 16, 1975 decision of the Canadian Transport Commission, in which a "reasonable" rate of return on ordinary equity for 1975 was determined to be from 12.8% to 13.8%.

Average Invested Capital

Earnings before interest and other deductions in 1975 totalled \$81,274,000, which equated to an 8.62% return on average invested capital for the year. The improvement over the 1974 return of 7.87% was a significant measure of our determined efforts to maintain the financial integrity of the Company. It did not, however, place our earnings within the acceptable range for rate of return that was ruled by the Commission for 1975 and which would have permitted us to earn between 9.0% and 9.5% on average invested capital.

Accounting for Inflation

The accounts presented in this report are based on the accounting concept of historical cost. This concept is under review by professional accounting bodies as to its adequacy as a measure of financial results, particularly in periods of high inflation. Certain methods have been advocated which purport to reflect the impact of inflation on the results of a company's operations. British Columbia Telephone Company believes these methods are not appropriate to the operations of regulated companies and that it is preferable to use the more traditional basis of accounting to report on the Company's operations.

Consolidated Statement of Earnings and Earnings Retained for Use in the Business

For the years ended December 31, 1975 and 1974

	1975	1974
	Thousands of Dollars	
Operating Revenues		
Local service	\$154,956	\$ 129,197
Toll service	194,905	163,256
Miscellaneous	15,289	13,449
Less — Uncollectible operating revenues	(4,463)	(3,029)
Total Operating Revenues	360,687	302,873
Operating Expenses		
Maintenance	76,567	67,829
Depreciation	65,914	56,094
Traffic	30,340	28,488
Commercial and marketing	23,426	19,699
General and administrative	40,400	34,135
Provincial, municipal and other taxes	17,694	13,669
Income taxes	31,729	23,216
Total Operating Expenses	286,070	243,130
Operating Earnings	74,617	59,743
Other income	6,657	4,558
Earnings Before Interest and Other Deductions	81,274	64,301
Interest and Other Deductions		
Interest on long-term debt and amortization of issue costs	42,185	34,210
Other interest charges	5,180	5,131
	47,365	39,341
Net Earnings, before Extraordinary item	33,909	24,960
Extraordinary item (Note 1)	973	—
Net Earnings	34,882	24,960
Less — Preference and preferred dividends	(8,023)	(6,204)
Ordinary Share Earnings	26,859	18,756
Earnings Retained for Use in the Business		
Balance at Beginning of Year	71,516	67,221
	98,375	85,977
Less — Ordinary share dividends	(15,819)	(14,150)
Share issue expense	(800)	(311)
Balance at End of Year (Note 7)	\$ 81,756	\$ 71,516
Earnings per average ordinary share (Note 1)		
— before Extraordinary item	\$1.38	\$1.11
— after Extraordinary item	\$1.43	\$1.11

The accompanying notes form an integral part of these financial statements.

Consolidated Balance Sheet

As at December 31, 1975 and 1974

Assets

	1975	1974
	Thousands of Dollars	
Telephone Plant, at cost		
— in service	\$ 1,386,028	\$ 1,206,268
— under construction	87,703	71,320
	1,473,731	1,277,588
Less — Accumulated depreciation	(310,303)	(275,088)
	1,163,428	1,002,500
Investments and Other Assets, at cost		
Telesat Canada	3,300	3,300
Other	957	1,201
	4,257	4,501
Current Assets		
Cash	1,564	353
Accounts receivable, net	66,226	42,429
Material and supplies, at cost	11,891	12,969
Prepayments	4,850	4,421
	84,531	60,172
Deferred Charges		
Unamortized cost of issuing debt securities	8,562	7,010
Other	1,982	2,514
	10,544	9,524
	\$ 1,262,760	\$ 1,076,697

Approved for Board of Directors,

B. A. Beneteau, Director

J. E. Richardson, Director

Capitalization and Liabilities

	1975	1974
	Thousands of Dollars	
Capitalization (per accompanying statement)		
Permanent and long-term		
Equity		
Ordinary shares	\$ 239,161	\$ 228,921
Preference and preferred shares	145,600	118,800
Minority interest in subsidiary	456	456
Long-term debt	549,120	429,259
	934,337	777,436
Short-term	86,670	111,622
Total Capitalization	1,021,007	889,058
Current Liabilities (excluding short-term capitalization)		
Accounts payable	31,674	25,815
Income taxes payable	136	5,012
Dividends payable	5,817	5,633
Accrued interest	11,851	8,958
Other accrued liabilities	12,366	8,431
Unearned revenues	7,444	6,234
	69,288	60,083
Income Taxes Deferred	172,465	127,556
Commitments (Notes 3 and 4)		
	\$ 1,262,760	\$ 1,076,697

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Capitalization

As at December 31, 1975 and 1974

	1975	1974
	Thousands of Dollars	
Capitalization — Permanent and Long-Term		
Equity		
Authorized Share Capital \$1,250,000,000 (Note (a) (i))		
Ordinary Shares (Notes (a) (ii) and (a) (iii))		
Ordinary shares without par value ;		
18,832,245 shares outstanding	\$ 157,405	\$ 94,161
Premium on ordinary shares	—	63,244
Earnings retained for use in the business (Note 7)	81,756	71,516
	239,161 26%	228,921 30%
Cumulative Preference and Preferred Shares	Redemption Premium	
Par Value of \$100 Each		
6% Preference	10% 1,000	1,000
6% Preferred	5% 4,500	4,500
4¾% Preferred	5% 7,500	7,500
4¾% Preferred (Series 1956)	4% 7,500	7,500
4½% Preferred	4% 5,000	5,000
4⅜% Preferred	4% 6,000	6,000
5¾% Preferred	4% 10,000	10,000
5.15% Preferred	5% 12,000	12,000
Par Value of \$25 Each		
4.84% Preferred	4% 20,000	20,000
6.80% Preferred (Not redeemable before June, 1978)	6% 10,000	10,000
7.04% Preferred (Not redeemable before July, 1982)	7% 20,000	20,000
8¾% Preferred (Notes (a) (vi) and (b))	— 13,600	15,300
10.16% Preferred (Notes (a) (iv) and (b))	— 28,500	—
	145,600 15%	118,800 15%
Minority Interest in Subsidiary	456	456
Long-term Debt (Note (b))		
British Columbia Telephone Company		
First Mortgage Bonds		
Series F 5% due April 1, 1982	25,000	25,000
Series G 5¼% due November 1, 1983	20,000	20,000
Series H 6% due September 15, 1984	15,000	15,000
Series I 5¾% due August 1, 1985	15,000	15,000
Series J 5¾% due July 15, 1986	20,000	20,000
Series K 5½% due April 15, 1988	20,000	20,000
Series L 6¾% due October 15, 1989	30,000	30,000
Series M 6¾% due March 15, 1991	30,000	30,000
Series N 9½% due April 1, 1990	3,263	3,263
Series O 9½% due November 15, 1992	18,000	18,000
Series P 9½% due November 15, 1992	12,000	12,000
Series Q 8¼% due March 1, 1994	35,000	35,000
Series R 7½% due November 15, 1978	10,000	10,000
Series S 7¾% due November 15, 1995	25,000	25,000
Series T 8½% due October 15, 1993	40,000	40,000

Consolidated Statement of Capitalization (continued)

	1975		1974	
	Thousands of Dollars			
Series U 8½% due November 1, 1996 (\$20 million U.S. funds) (Note (a) (vii))	\$ 19,809		\$ 19,809	
Series V 9% due October 1, 1997	40,000		40,000	
Series W 8¾% due January 15, 1981	11,000		11,000	
Series X 9¼% due April 15, 1998	35,000		35,000	
Issued in 1975 (Note a (iv)) :				
Series Y 11% due January 15, 1996	45,000		—	
Series Z 8¾% due April 1, 1980	20,000		—	
Series AA 10¼% due April 1, 1995	30,000		—	
Series AB 10¼% due December 1, 1981	25,000		—	
Okanagan Telephone Company General Mortgage Sinking Fund Bonds due 1977 to 1986 at interest rates 5% to 6½% less current maturities and sinking fund requirements	5,048		5,187	
	549,120	59%	429,259	55%
Total Capitalization — Permanent and Long-term	934,337	100%	777,436	100%
Capitalization — Short-Term (Note (c))				
Amounts due for redemption within one year				
Equity (Note (b))				
8¾% Cumulative preferred shares par value of \$25 each	1,700		1,700	
10.16% Cumulative preferred shares par value of \$25 each	1,500		—	
Long-term Debt				
British Columbia Telephone Company First Mortgage Bonds				
Series E 4¾% due October 1, 1975 (Note (a) (vi))	—		7,000	
Series N 9½% due April 1, 1975 (Note (a) (v))	—		26,737	
Okanagan Telephone Company General Mortgage Sinking Fund Bonds	—		318	
	3,200		35,755	
Short-term notes pending permanent financing				
Promissory notes at 8.55% to 10% interest	49,070		40,167	
Bank demand loans at 9¾% interest	34,400		35,700	
	83,470		75,867	
Total Capitalization — Short-term	86,670		111,622	
Total Capitalization	\$1,021,007		\$ 889,058	

The accompanying notes form an integral part of these financial statements.

Notes to Consolidated Statement of Capitalization

(a) CHANGES IN CAPITALIZATION

(i) On December 13, 1974, the Company's authorized share capital was amended by Act of Parliament, permitting, inter alia, the Company, subject to directors' and shareholders' approval, to issue shares with or without par value up to the nominal amount of \$1,250,000,000.

As at December 31, 1975, the total share capital of the Company, as authorized by its bylaws, was \$750,000,000.

(ii) On March 13, 1975, the ordinary shareholders of the Company approved the subdivision of each issued and outstanding ordinary share with a par value of \$25 each into five ordinary shares with a par value of \$5 each.

(iii) On June 26, 1975, the ordinary shareholders of the Company sanctioned the change of the ordinary shares with a par value of \$5 each to ordinary shares without par value. As a result of this change, the directors capitalized the premium on the ordinary shares of \$63,244,000, thereby increasing the paid-up capital on the ordinary shares to \$157,405,000.

(iv) During 1975, additional long-term capital was obtained through the following issues:

— \$30,000,000 aggregate par value of 10.16% cumulative redeemable preferred shares with a par value of \$25 each.

— Series Y, Series Z, Series AA and Series AB First Mortgage Bonds listed on the consolidated statement of capitalization at 11%, 8¾%, 10¼% and 10¼% respectively.

(v) Pursuant to the prepayment provision of the Series N Bonds, the Company prepaid \$26,737,000 principal amount of such bonds on April 1, 1975.

(vi) On October 1, 1975, the Company retired at maturity the \$7,000,000 First Mortgage Bonds, 4¾% Series E, and redeemed \$1,700,000 8¾% cumulative redeemable preferred shares.

(vii) Series U First Mortgage Bonds are reflected at the Canadian dollar equivalent on the date of issue. The liability would not be significantly different if it were based on the exchange rate as of December 31, 1975.

(b) SINKING FUND AND REDEMPTION REQUIREMENTS

The 8¾% preferred shares are subject to mandatory redemption at par value over a 10-year period, with \$1,700,000 due on or before October 1 in each year, so as to completely retire the issue by October 1, 1984.

The 10.16% preferred shares are subject to (a) mandatory redemption at par value over a 20-year period with \$1,500,000 due on September 1, 1976, and annually thereafter until 1995, and (b) voluntary redemption at the option of the Company in any amount on and after September 1, 1980, at a premium of 5%, declining annually thereafter to par after September 1, 1985.

The Deed of Trust and Mortgage of British Columbia Telephone Company requires either an annual sinking fund payment of 1% of the principal amount of its bonds outstanding or the pledge of additional unmortgaged property. The Company's policy is to use the latter alternative and accordingly does not make sinking fund payments. The Deed of Trust and Mortgage of Okanagan Telephone Company requires an annual sinking fund payment of 2% of the original principal sum of each issue and this requirement, together with the debt maturities of both companies during each of the next five years is:

1976	\$ —
1977	396,000
1978	10,651,000
1979	441,000
1980	20,811,000

The holder of any Series P Bonds, of which there are \$12,000,000 outstanding, has until May 15, 1976, the right to elect that the Company shall prepay the principal amount of such bonds on November 15, 1976.

At December 31, 1975, the First Mortgage Bonds, except for Series P, R, W, Z and AB, are redeemable, other than for financial advantage, at premiums ranging from 1½% to 11%. The Okanagan Telephone Company's General Mortgage Sinking Fund Bonds are callable at premiums ranging from 1% to 4¾%.

The Company's telephone plant is subject to the liens under the Deed of Trust and Mortgage under which the First Mortgage Bonds are issued.

(c) CAPITALIZATION — SHORT-TERM

Under this caption are listed all amounts of capitalization falling due for redemption within one year, sinking fund requirements and short-term indebtedness pending permanent financing. The promissory notes will have matured by March 29, 1976.

The Company and its subsidiaries have announced plans for a construction program estimated to cost \$326,000,000 for 1976, and that sum plus short-term repayment obligations of approximately \$87,000,000 represent the Company's total financing requirements for the ensuing year. These requirements will be financed out of funds generated from operations (estimated at \$128,000,000 for 1976) and from financing proceeds of additional issues of share capital and debt, with any balancing requirement to be met by short-term notes and bank loans. Such additional financing is subject to approval by the Canadian Transport Commission with respect to share issues, and to the maintenance of interest earnings coverage ratios as required under the Deed of Trust and Mortgage for First Mortgage Bonds issues. As of December 31, 1975, the Company had obtained no commitments for such financing. However, on February 26, 1976, the Company issued \$30,000,000 (U.S.) First Mortgage Bonds, 10½% Series AC and applied the proceeds to the reduction of its short-term obligations as of that date.

Reference is also made to Note 7 to the consolidated financial statements with respect to Anti-Inflation legislation and its possible effect, if any, on the Company's earnings for 1976.

Consolidated Statement of Source of Funds Used for Construction

For the years ended December 31, 1975 and 1974

	1975	1974
	Thousands of Dollars	
Source of Funds		
From Operations		
Ordinary share earnings before extraordinary item	\$ 25,886	\$ 18,756
Add back (deduct) items not requiring an outlay of funds		
Depreciation	65,914	56,094
Income taxes deferred — current year	31,729	23,216
Allowance for funds used during construction	(4,802)	(4,407)
Other, net	2,260	1,151
	120,987	94,810
Less — Ordinary share dividends	(15,819)	(14,150)
	105,168	80,660
Income taxes deferred — prior periods (Note 1)	13,180	—
Extraordinary item (Note 1)	973	—
Increase in working capital	(15,154)	(4,108)
Increase in other deferred charges	—	(2,514)
Miscellaneous	651	(1,845)
	operat → 104,818	72,193
Financing proceeds, net of related costs and expenses		
Ordinary shares	—	22,658
Preferred shares	29,234	16,904
Long-term debt	117,638	45,195
Increase in short-term notes	7,603	36,997
	fin → 154,475	121,754
Less — Redemptions of preferred shares and long-term debt	(35,755)	—
	118,720	121,754
	\$ 223,538	\$ 193,947
Construction Expenditures		
Gross plant additions	\$ 230,241	\$ 201,484
Less — Salvage value of plant retired	(1,901)	(3,130)
— Allowance for funds used during construction	(4,802)	(4,407)
	\$ 223,538	\$ 193,947

The accompanying notes form an integral part of these financial statements.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

EARNINGS PER AVERAGE ORDINARY SHARE

Earnings per average ordinary share have been computed based on the average number of shares outstanding each month during the year and entitled to quarterly dividends declared and have been restated to reflect the five-for-one share split, effective April 1, 1975.

CONSOLIDATION

The consolidated financial statements include the accounts of the Company's wholly-owned subsidiaries, North-west Telephone Company and Canadian Telephones and Supplies Ltd. (together with its wholly-owned subsidiaries 70,074 Limited and Viscount Industries Ltd.); and Okanagan Telephone Company (99.9% owned).

The excess of the cost of shares of subsidiaries over the Company's equity at the date of acquisition is being amortized to earnings over a thirty-year period commencing in 1975 and amounted to \$253,000 for the year.

TELEPHONE PLANT

Telephone plant is recorded substantially at original cost and includes certain pension costs, payroll taxes and general overheads applicable to the construction activity. In addition, the Company capitalizes the cost of funds used to finance construction as a component of the cost of telephone plant, based on the size and duration of projects. The amounts of allowance for funds used during construction in 1975 and 1974 were \$4,802,000 and \$4,407,000, respectively. The credits are included in the caption "Other income".

DEPRECIATION

Depreciation rates are determined by a continuing program of engineering studies for each class of telephone plant, according to year of placing in service. Depreciation provisions are calculated on a straight-line basis by applying such rates to the Company's telephone plant assets each month. The Company has, in conformity with prevailing practice

in the Canadian telecommunication industry, refined its depreciation method effective July 1, 1975 with respect to plant additions from that date forward. The refinement continues to develop depreciation provisions on a straight-line basis having regard to year of placing in service but subdivides each class into groups having equal service lives. The composite depreciation rate was 5.28% in 1975 (5.19% in 1974), including the effect of the refinement noted above.

INCOME TAX

The Company claims as deductions, for income tax purposes, certain amounts in excess of expenses recorded in the accounts in respect of capital cost allowances, overhead costs applicable to construction activity and allowances for funds used during construction. The income tax provision relating to these timing differences is being deferred, except as related to the allowance for funds used during construction (see Telephone Plant above), for which no income tax provision has been included in rate submissions to the Canadian Transport Commission. Income taxes in the Consolidated Statement of Earnings, and not currently payable, are \$31,729,000 for 1975 and \$23,216,000 for 1974.

During 1975, Revenue Canada Taxation agreed to claims by the Company for additional timing differences relating to station connection costs, and issued reassessments for the years 1969-1973, inclusive. The decrease in current taxes payable, together with refunds of overpayments, resulted in an increase in income taxes deferred in the amount of \$13,180,000.

The Company received interest on overpayments in the amount of \$1,994,000, which is reported in the Consolidated Statement of Earnings as an extraordinary income item of \$973,000, net of applicable income taxes.

Federal income taxes have been assessed up to and including December 31, 1974, for the Company and its subsidiaries. In addition, Revenue Canada Taxation has completed field assessments up to and including December 31, 1973, for the Company. Adequate provisions have been made by the Company and its subsidiaries for all years up to and including 1975.

OTHER DEFERRED CHARGES

Other deferred charges consist of the cost of an appraisal of telephone plant of the Company and its subsidiary, Okanagan Telephone Company, as performed by a qualified independent engineering firm, and fees paid relative to amendments to the capital structure of the Company which occurred in 1974. These costs are being amortized over five years and three years respectively, commencing January 1, 1975, which terms represent the anticipated future benefit. Amortization for the year ended December 31, 1975 totalled \$532,000.

2. Remuneration of Directors and Officers

During the year ended December 31, 1975, there were 11 directors of British Columbia Telephone Company who received aggregate remuneration of \$59,000 as directors, and 15 officers who received aggregate remuneration of \$760,000 as officers. Two directors were also officers. Five directors received additional remuneration from Okanagan Telephone Company as directors, two of whom also received remuneration from Canadian Telephones and Supplies Ltd. as directors. None of the officers of British Columbia Telephone Company received remuneration from subsidiary companies.

A total of six directors of Okanagan Telephone Company received remuneration of \$5,000 in aggregate as directors during the year ended December 31, 1975. In addition, two directors and three officers of Canadian Telephones and Supplies Ltd. received aggregate remuneration of \$1,000 as directors and \$86,000 as officers, respectively.

3. Pension Plans

The Company and its subsidiaries have pension plans covering substantially all employees, subject to conditions related to age and period of service. The annual accrued pension costs are placed in trustee funds, the value of which at December 31, 1975 and 1974 exceeded the benefits vested with the employees. The Company is governed by and complies with the Canada Pension Benefits Standards Act which contains provisions regarding the solvency of pension plans. The Act requires that actuarial studies be prepared at least every three years and that any experience deficiency in the plan must be funded over the succeeding five-year period. The most recent actuarial studies were prepared as at December 31, 1972 for the Company's Management Pension Plan, December 31, 1973 for the plans of its subsidiaries, and December 31, 1974 for the Company's Bargaining Unit Pension Plan, which also provides for disability and death benefits.

As part of the Collective Agreement concluded in 1975, the Bargaining Unit Pension Plan was amended, effective December 31, 1974, and at that time the Company's unfunded past service liability with respect to this plan was eliminated. As part of the same Agreement, a new plan was started effective January 1, 1975, into which the Company contributes a fixed percentage of gross employee earnings without liability for the benefits payable.

The total pension costs charged to expense were \$11,578,000 (\$9,188,000 in 1974) which include \$1,069,000 (\$1,567,000 in 1974) for the amortization of past service and experience deficiencies. Based on the most recent actuarial valuations, the estimated unfunded liability under the Company's Management Pension Plan is \$7,094,000 at December 31, 1975 (\$7,645,000 at December 31, 1974); there is no longer an unfunded liability under the Bargaining Unit Pension Plan at December 31, 1975 (\$6,278,000 at December 31, 1974).

4. Commitments

CONSTRUCTION PROGRAMS

The Company and its subsidiaries have announced construction programs for additional telephone plant and facilities in 1976 which are estimated to cost \$326,000,000, and substantial purchase commitments have been made in connection therewith.

LEASE OBLIGATIONS

Contractual obligations in respect of long-term leases of the Company and its subsidiaries amounted to \$12,030,000 for real property and equipment at December 31, 1975; related rentals for the year then ended were \$2,186,000 and the minimum amount applicable to the five years subsequent to December 31, 1975, is \$10,184,000.

HEADQUARTERS BUILDING

70,074 Limited and John Hancock Mutual Life Insurance Company have entered into a commitment agreement for a first mortgage loan in the amount of \$24,000,000 (U.S.). 70,074 Limited has paid a commitment fee of \$240,000 (U.S.), which is refundable upon completion of the first mortgage loan agreement. The loan will bear interest of 11% per annum and be secured by the land and the British Columbia Telephone Company headquarters building currently under construction thereon. Interim financing of construction is being provided by British Columbia Telephone Company.

5. Employee Share Purchase Plan

At December 31, 1975, 499,755 ordinary shares remain reserved for exercise under the Company's Employee Share Purchase Plan. There are no options outstanding.

6. Events Subsequent to December 31, 1975

On November 3, 1975, the Canadian Transport Commission approved the Company's application for increased and restructured rates; the revised tariffs became effective on January 1, 1976.

On February 16, 1976, the Company filed with the Canadian Transport Commission an application for a review of the addendum to the Commission's decision of November 3, 1975.

On February 26, 1976, the Company issued additional first mortgage bonds, details of which issue are included in the Notes to Consolidated Statement of Capitalization.

7. Anti-Inflation Guidelines

The Anti-Inflation Act of 1975 provides for the restraint of prices, profits, dividends and employee compensation. The Company and its subsidiaries are subject to the Act and the attendant regulations. The Act specifies that since the prices and profits of the Company are regulated by the Canadian Transport Commission, the enforcement of the Act as to those aspects of restraint is the responsibility of that body. At the present time, the Company is unable to determine the manner in which the Commission will apply its regulatory power to comply with the intent of restraint and, at the same time, permit a level of earnings necessary to support the Company's capital expansion programs. The Company is of the opinion that, for the year 1975, it does not have excess revenues as presently determinable under the regulations of the Act and as they might be applied by the Commission.

Auditors' Report

To the Shareholders of British Columbia Telephone Company

We have examined the consolidated balance sheet and related statement of capitalization of BRITISH COLUMBIA TELEPHONE COMPANY (incorporated under an Act of the Parliament of Canada) and subsidiaries as at December 31, 1975 and 1974, and the consolidated statements of earnings and earnings retained for use in the business and source of funds used for construction for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

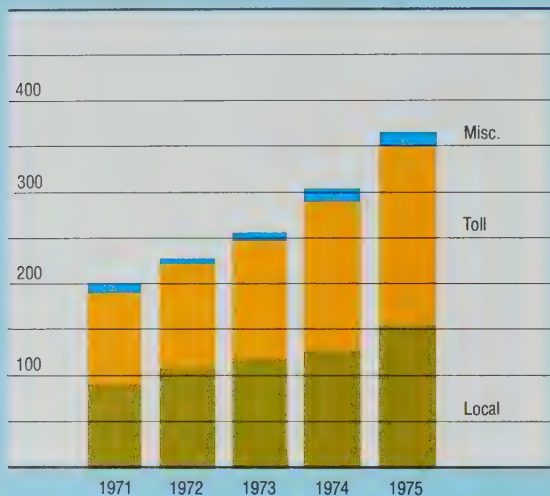
In our opinion, the accompanying consolidated financial statements present fairly the financial position of British Columbia Telephone Company and subsidiaries as at December 31, 1975 and 1974, and the results of their operations and the source of their funds used for construction for the years then ended, in conformity with generally accepted accounting principles consistently applied during the periods.

ARTHUR ANDERSEN & CO.
Chartered Accountants

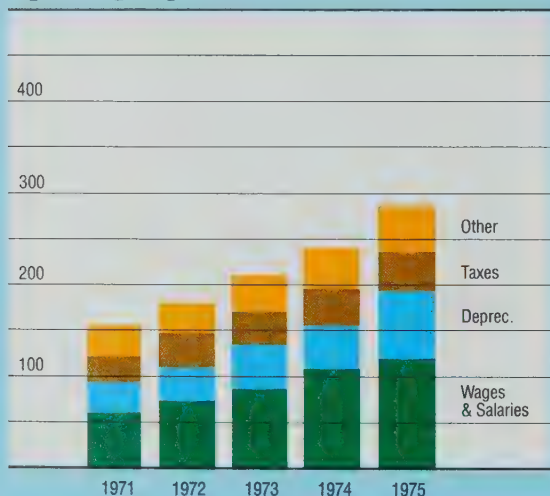
Vancouver, Canada
January 30, 1976.
*(except with respect to the matters
discussed in Note 6, as to which the date
is February 26, 1976)*

Consolidated Five-Year Record of Progress

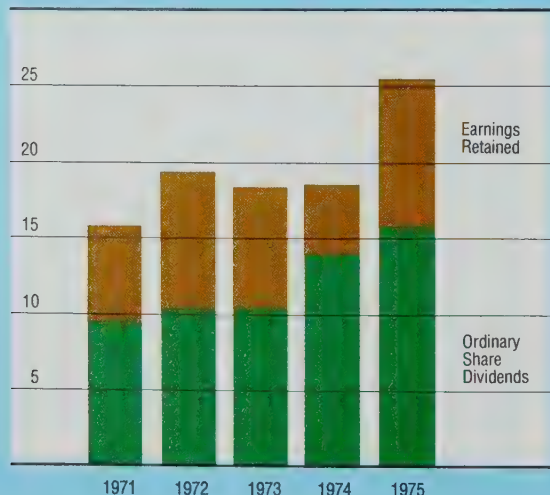
● Gross Revenue (Millions of dollars)



▲ Operating Expenses (Millions of dollars)



■ Ordinary Share Earnings (Millions of dollars)



Particulars

1975

Selected Income Items

(Thousands of Dollars)

●	1	Total operating revenues	\$ 360,687
	2	Local service	154,956
	3	Toll service	194,905
▲	4	Total operating expenses	286,070
	5	Salaries and wages	120,456
	6	Other operations expense	50,277
	7	Depreciation	65,914
	8	Provincial, municipal and other taxes	17,694
	9	Income taxes	31,729
	10	Interest and other deductions	47,365
	11	Preference and preferred dividends	8,023
■	12	Ordinary share earnings	26,859
	13	Ordinary share dividends	15,819

Selected Balance Sheet Items

(Thousands of Dollars)

◆	14	Investment in telephone plant	\$1,473,731
	15	Accumulated depreciation	310,303
	16	Total invested capital	1,021,007
	17	Long-term debt	549,120
	18	Preference and preferred shares	145,600
	19	Ordinary share equity	239,161

Financial Ratios

20	Earnings per ordinary share	\$ 1.43
21	Dividends declared per ordinary share	\$.84
22	Equity per ordinary share	\$ 12.70
23	Percent return on average ordinary share equity	11.62
24	Percent return on average invested capital	8.62
25	Percent long-term debt to total capitalization	59

Other Statistics

□	26	Telephones in service	1,473,183
	27	Percent DDD	99.6
	28	Net plant investment per telephone	\$ 790
○	29	Gross plant additions (Thousands of Dollars)	\$ 230,241
	30	Local calls — daily average	8,812,000
	31	Toll calls completed — daily average	285,000
	32	Total salaries and wages (Thousands of Dollars)	\$ 180,511
	33	Total pensions and related payroll costs (Thousands of Dollars)	\$ 17,875
	34	Number of employees	13,122
	35	Number of shareholders	25,047

Lines 20, 21, 22 have been restated for the years 1971-1974 to reflect the five-for-one share split, effective April 1, 1975.

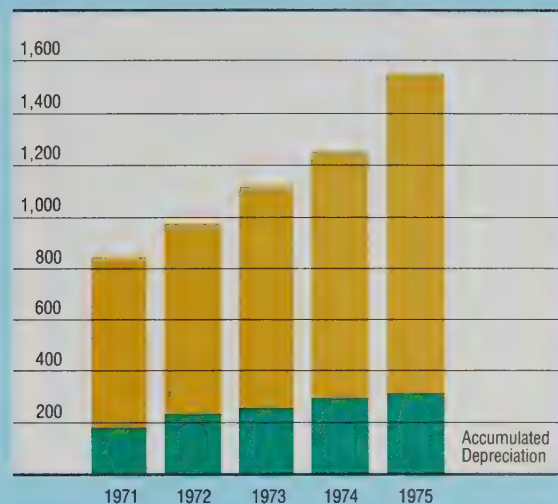
1974	1973	1972	1971
302,873	\$ 258,927	\$ 227,765	\$ 199,892
129,197	117,469	106,289	93,444
163,256	132,659	114,742	100,045
243,130	207,197	180,305	158,818
106,931	86,348	73,819	64,520
43,220	37,861	34,189	31,288
56,094	49,380	43,326	38,454
13,669	10,513	8,849	7,684
23,216	23,095	20,122	16,872
39,341	29,855	24,756	22,288
6,204	5,798	5,098	4,391
18,756	18,768	19,762	15,818
14,150	10,357	10,357	9,494

277,588	\$1,105,167	\$ 961,490	\$ 854,646
275,088	246,356	219,229	197,190
889,058	762,125	674,916	609,100
429,259	417,455	377,529	317,954
118,800	103,500	103,500	83,500
228,921	201,846	193,432	184,560

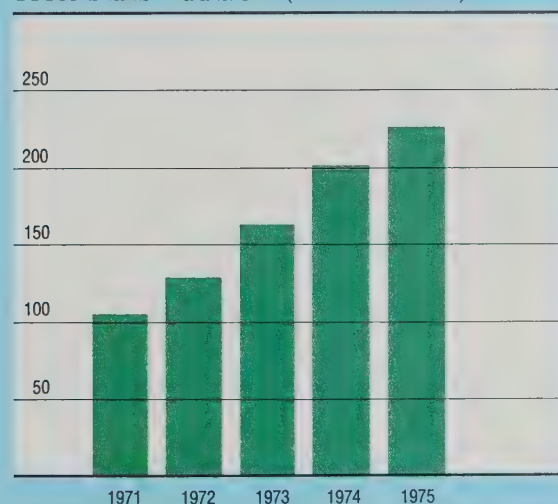
1.11	\$ 1.16	\$ 1.22	\$ 1.07
.84	\$.64	\$.64	\$.64
12.16	\$ 12.47	\$ 11.95	\$ 11.40
8.97	9.54	10.48	9.57
7.87	7.73	7.82	7.36
55	58	56	54

383,202	1,281,655	1,180,338	1,099,791
99.6	94.4	92.5	91.3
725	\$ 670	\$ 629	\$ 598
201,484	\$ 165,273	\$ 132,405	\$ 113,106
707,000	7,865,000	7,364,000	7,085,000
251,000	199,000	172,000	155,000
159,069	\$ 125,607	\$ 103,245	\$ 88,724
14,795	\$ 11,433	\$ 9,461	\$ 8,162
13,999	13,128	10,816	10,274
22,631	23,474	24,362	22,287

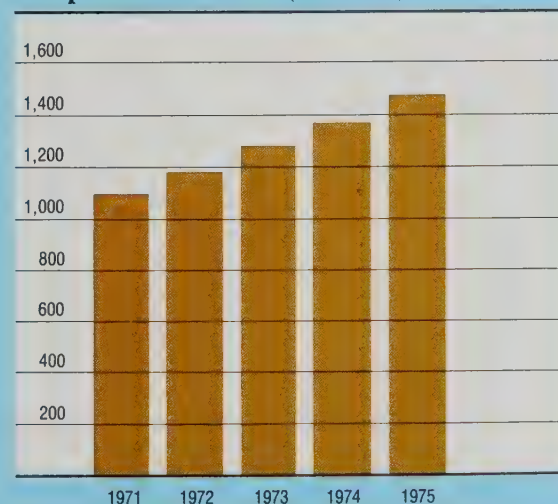
◆ Plant Investment (Millions of dollars)



○ Gross Plant Additions (Millions of dollars)



□ Telephones in Service (Thousands)

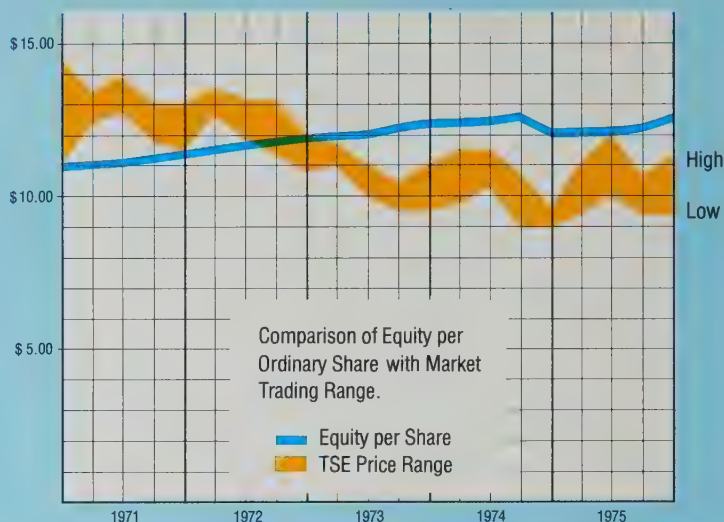


Selected Information for Ordinary Shareholders

The ordinary shares of the Company were subdivided into five shares each on April 1, 1975. Shareholders also sanctioned the removal of nominal or par value from ordinary shares, thus permitting the capitalization of the premium on the shares. The paid-up capital on ordinary shares was thereby increased by \$63,244,000 to a total of \$157,405,000.

Anglo-Canadian Telephone Company holds the majority of the Company's ordinary shares. As at December 31, 1975, Anglo-Canadian held 9,570,420, or 50.82% of the 18,832,245 outstanding ordinary shares.

Dividends are paid quarterly, on the first days of January, April, July and October. The amount payable for 1975 totalled 84 cents per share.



	1975	1974
Number of Ordinary Shareholders	5,651	5,444
Number of Shares Outstanding at December 31	18,832,245	18,832,245
Distribution of Shares:		
Canada	99.1%	98.9%
United States	.5	.5
Other	.4	.6
	100.0%	100.0%
Federal Government Valuation Day Value	\$12.75/Share	
Volume of Shares Traded	953,592	1,368,490
Price Ranges (High-Low)		
Vancouver Stock Exchange		
First Quarter	\$10.88- 10.20	\$11.40- 9.85
Second Quarter	11.75- 10.25	10.40- 10.40
Third Quarter	10.50- 9.50	10.60- 10.53
Fourth Quarter	11.00- 9.50	9.60- 8.95
The Toronto Stock Exchange		
First Quarter	\$11.05- 9.35	\$11.45- 9.75
Second Quarter	12.00- 10.00	11.50- 10.30
Third Quarter	10.63- 9.38	10.70- 8.95
Fourth Quarter	11.25- 9.38	9.65- 8.93
Montreal Stock Exchange		
First Quarter	\$11.00- 9.50	\$11.40- 9.73
Second Quarter	11.50- 10.00	11.50- 10.30
Third Quarter	10.38- 9.50	10.70- 9.03
Fourth Quarter	11.00- 9.38	9.60- 8.93

Note: Volume of shares traded and price ranges have been restated where necessary to reflect the five-for-one share split, effective April 1, 1975.

Directors

Basil A. Beneteau

President and Chief Executive Officer*
British Columbia Telephone Company
Vancouver, B.C.

Harry M. Boyce

Company Director
Vancouver, B.C.

W. Thomas Brown

Chairman
Odlum Brown & T. B. Read Ltd.
Vancouver, B.C.

Gerald H. D. Hobbs

President
Cominco Ltd.
Vancouver, B.C.

Allan M. McGavin

Chairman of the Board
McGavin ToastMaster Limited
Vancouver, B.C.

Victor F. MacLean

Company Director
Vancouver, B.C.

John W. Pitts

Chairman and President
Okanagan Helicopters Ltd.
Vancouver, B.C.

J. Ernest Richardson

Chairman*
British Columbia Telephone Company
Vancouver, B.C.

Horace B. Simpson

Vice-President
Okanagan Holdings Ltd.
Kelowna, B.C.

Hugh R. Stephen

Company Director
Victoria, B.C.

Richard B. Wilson

Company Director
Victoria, B.C.

Officers

J. Ernest Richardson

Chairman*

Basil A. Beneteau

President and Chief Executive Officer*

Gilbert F. Auchinleck

Vice-President — Service

Roland J. Bouwman

Vice-President, General Counsel
and Secretary

Jack C. Carlile

Vice-President — Operations*

Leo J. Dooling

Comptroller

Terence F. Heenan

Vice-President —
Corporate Development*

Gordon F. MacFarlane

Vice-President — Administration*

James A. MacInnes

Vice-President — Public Affairs

D. Barry McNeil

Vice-President — Supply,
Transportation & Buildings*

Mrs. Jean E. Scott

Assistant Secretary*

Gordon M. Smith

Vice-President — Service (Staff)

Robert H. Stevens

Vice-President — Marketing

J. Neil Stewart

Treasurer

Frank S. Tucker

Vice-President — Personnel &
Industrial Relations

Gerald G. Washington

Assistant Treasurer*

Head Office

768 Seymour Street, Vancouver, B.C.
Canada V6B 3K9

Transfer Agent and Registrar

Montreal Trust Company

Duplicate Annual Reports

Every effort has been made to eliminate duplications in our shareholders mailing list. However, if you do have more than one holding you will receive a separate report for each registration unless your shares are registered under exactly the same name.



B.C. Tel, part of
Trans-Canada
Telephone System

AR22



768 Seymour St., Vancouver, B.C., Canada

File

BRITISH COLUMBIA TELEPHONE COMPANY

Quarterly Report to Shareholders
for the period ended June 30, 1975

Printed in Canada

TO OUR SHAREHOLDERS:

Financial results for the second quarter reflect the positive efforts by management to bring about a reversal in the Company's downward earnings trend.

EARNINGS: Operating revenues of \$85,569,000 for the three months ended June 30, 1975 were 13.3% more than for the corresponding period of 1974. Operating revenues for the first six months of \$167,412,000 reflected a 15.0% increase over the same period in 1974, somewhat less than the 18.8% increase generated in the first six months of 1974 when a more buoyant economy prevailed.

Operating expenses for the first six months totalled \$126,670,000, or an 17.0% increase over that reported for the same period in 1974. Expenses in the second quarter totalled \$62,973,000, or 13.7% over those of the similar 1974 period. This shows a lesser rate of increase which is a direct reflection of strict control measures in force.

The introduction of the Traffic Service Position System in Vancouver, the first of its type to be installed in Canada, has caused significant moderation in traffic expenses due to reduced operator effort for most calls requiring operator assistance. Expanded use of Direct Distance Dialing by our customers has also contributed to the containment of traffic expenses.

Interest and other deductions for the second quarter totalled \$11,431,000 and \$22,339,000 this year to date, or a 21.7% increase for the year to date and a 19.4% when comparing second quarter results.

After provision for income taxes of \$6,062,000 for the second quarter and dividends on preference and preferred shares of \$1,817,000, there remained \$5,062,000 available for ordinary shares, or \$.27 per share, compared with the restated \$.28 per share for the second quarter of 1974. For the six months to June 30, 1975, earnings available for ordinary shares were \$.45, slightly higher than our dividend requirements of \$.42 a share.

SERVICE DEVELOPMENT: The number of telephones in service has increased by 18,931 over the past three months to bring the gain so far this year to 42,662. This compares with 22,114 and 47,105 for the same periods in 1974. Telephones in service now total 1,425,864.

This year's construction program is currently forecast at \$253 million, of which \$106,476,000 has been expended during the first six months, up from \$96,052,000 for the same period in 1974.

FINANCING: The directors have approved for immediate filing with appropriate securities commissions in Canada a preliminary prospectus for the purpose of issuing preferred shares. Proceeds of this new issue, the terms of which have not yet been determined and which will require approval of the Canadian Transport Commission, will be used to repay short-term loans that have been incurred during the year and which totalled approximately \$45 million by June 30, 1975.

WAGE SETTLEMENT: A new two-year labor contract retroactive to January 1, 1975, details of which were reported in our first quarter report, was signed by the Company and the Federation of Telephone Workers of British Columbia on June 18, 1975.

CHANGES IN CAPITAL STRUCTURE: On June 26, 1975, the ordinary shareholders of the Company sanctioned the change of the ordinary shares with a par value of \$5 each to ordinary shares without par value.

REGULATION: On May 14, 1975, an application was made to the Canadian Transport Commission for an order approving an interim 10% increase in tariffs pending a public hearing on the requested 20% increase in tariffs which was applied for on March 17, 1975. A hearing was held in Vancouver during July on the interim increase and the Commission approved substantially all the tariff revisions requested. The new tariffs were put into effect on August 1, 1975 and are expected to produce approximately \$9 million additional revenue over the balance of the year.

The Commission has set September 17, 1975 as the date for public hearings of the Company's full application for revised tariffs as applied for on March 17, 1975.

On July 25, 1975, the Canadian Transport Commission authorized the Company to implement revised interprovincial toll rates, proposed by the Trans-Canada Telephone System, to be effective August 1, 1975. These revised tariffs should provide an additional \$2.1 million in revenues in the current year.



Chairman and Chief Executive Officer

Vancouver, B.C.
August 7, 1975

CONSOLIDATED STATEMENT OF EARNINGS

(Subject to audit and year-end adjustment)

	<i>Three Months Ended June 30</i>			<i>Six Months Ended June 30</i>		
	1975	1974	1973	1975	1974	1973
	Thousands of Dollars			Thousands of Dollars		
Operating revenues	\$ 85,569	\$ 75,554	\$ 62,875	\$ 167,412	\$ 145,597	\$ 122,600
Operating expenses	62,973	55,397	46,038	125,670	107,451	90,169
Net operating earnings before income tax	22,596	20,157	16,837	41,742	38,146	32,431
Other income (net)	1,776	1,191	1,301	3,064	2,187	1,861
	24,372	21,348	18,138	44,806	40,333	34,292
Interest and other deductions.....	11,431	9,567	7,027	22,339	18,352	14,013
Net earnings before income taxes..	12,941	11,781	11,111	22,467	21,981	20,279
Income taxes (Note 1)	6,062	5,822	5,365	10,402	10,877	9,829
Net earnings	6,879	5,959	5,746	12,065	11,104	10,450
Dividends on preference and preferred shares	1,817	1,445	1,444	3,643	2,900	2,899
Net earnings available for ordinary shares	\$ 5,062	\$ 4,514	\$ 4,302	\$ 8,422	\$ 8,204	\$ 7,551
Earnings per average ordinary share outstanding during period (Note 2 & 3)	\$.27	\$.28	\$.27	\$.45	\$.51	\$.47

Notes:

- (1) Restated for 1974, to include the effect of the 10% Corporate Surtax effective in 1974.
- (2) Earnings per average ordinary share for the periods shown have been restated to reflect the five for one share split, effective April 1, 1975.
- (3) Earnings for the first quarter of 1975 have been revised upward by \$.02 per average ordinary share to reflect the now known cost of retroactive wages relative to the labour contract signed June 18, 1975.

BRITISH COLUMBIA TELEPHONE COMPANY

**CONSOLIDATED STATEMENT OF SOURCE OF FUNDS
USED FOR CONSTRUCTION**

(Subject to audit and year-end adjustment)

	<i>Six Months Ended June 30</i>	
	1975	1974
	Thousands of Dollars	
SOURCE OF FUNDS		
From operations		
Ordinary share earnings	\$ 8,422	\$ 8,204
Add back expenses not requiring an outlay of funds		
Depreciation	31,516	27,296
Deferred income taxes	10,402	10,877
Other	885	551
	<u>51,225</u>	<u>46,928</u>
Less ordinary share dividends	7,909	6,797
	<u>43,316</u>	<u>40,131</u>
Decrease in working capital	26,814	8,060
Increase in other deferred charges	—	(1,311)
Miscellaneous	729	652
	<u>70,859</u>	<u>47,532</u>
Financing Proceeds — Net of related costs and expenses		
Long term debt	66,365	45,243
Increase (decrease) in short term notes	(30,493)	1,780
	<u>35,872</u>	<u>47,023</u>
	<u>\$ 106,731</u>	<u>\$ 94,555</u>
CONSTRUCTION EXPENDITURES		
Gross plant additions	\$ 106,476	\$ 96,052
Net salvage cost (value) of plant retired	255	(1,497)
	<u>\$ 106,731</u>	<u>\$ 94,555</u>

AR22

B.C. TEL FACTS 1975

B.C. TEL FACTS

Please remove and destroy the entire material in the blue FACTS binder sent to you last year and replace with the enclosed pages which constitute a complete revision and updating of B.C. TEL FACTS.

BRITISH COLUMBIA TELEPHONE COMPANY

768 SEYMOUR STREET, VANCOUVER, CANADA V6B 3K9

TELEPHONE 662-8122 AREA CODE 604

J. E. RICHARDSON
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

May, 1975

BRITISH COLUMBIA TELEPHONE COMPANY

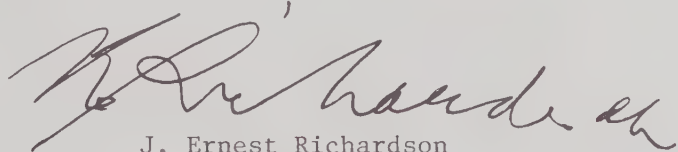
F A C T S

Our new edition of FACTS is enclosed. We hope it will prove useful as in past years to the news media and financial community.

This new edition brings you up-to-date information to December 31, 1974, but with the Rate Schedule on a current basis.

We are striving to improve this publication, year by year, in order to provide ready and accurate information about the British Columbia Telephone Company.

*At all times we would be grateful
to you for your comments, also
for suggestions looking towards
improving the next edition.*



J. Ernest Richardson

Chairman and
Chief Executive Officer



BRITISH COLUMBIA TELEPHONE COMPANY

F A C T S

C o n t e n t s

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DIRECTORS

BASIL A. BENETEAU
President
British Columbia Telephone Company
Vancouver, B. C.

HARRY M. BOYCE
Chairman of the Board
Yorkshire Trust Company
Vancouver, B. C.

W. THOMAS BROWN
President
Odlum Brown & T. B. Read Ltd.
Vancouver, B. C.

GERALD H. D. HOBBS
President
Cominco Ltd.
Vancouver, B. C.

ALLAN M. McGAVIN
Chairman of the Board
McGavin ToastMaster Limited
Vancouver, B. C.

VICTOR F. MacLEAN
Company Director
Vancouver, B. C.

JOHN W. PITTS
Chairman and President
Okanagan Helicopters Ltd.
Vancouver, B. C.

J. ERNEST RICHARDSON
Chairman and
Chief Executive Officer
Vancouver, B. C.

HORACE B. SIMPSON
Vice-President and Director
Okanagan Holdings Ltd.
Kelowna, B. C.

HUGH R. STEPHEN
Company Director
Victoria, B. C.

RICHARD B. WILSON
Company Director
Victoria, B. C.

OFFICERS

J. ERNEST RICHARDSON
Chairman and
Chief Executive Officer

BASIL A. BENETEAU
President

GILBERT F. AUCHINLECK
Vice-President - Service

ROLAND J. BOUWMAN
Vice-President, General Counsel
and Secretary

JACK C. CARLILE
Vice-President - Administration

LEO J. DOOLING
Comptroller

TERENCE F. HEENAN
Vice-President - Operations

GORDON F. MacFARLANE
Vice-President - Corporate Development

JAMES A. MacINNES
Vice-President - Public Affairs

D. BARRY McNEIL
Vice-President - Finance

GORDON M. SMITH
Vice-President - Service (Staff)

ROBERT H. STEVENS
Vice-President - Marketing

J. NEIL STEWART
Treasurer

FRANK S. TUCKER
Vice-President - Personnel &
Industrial Relations

GERALD G. WASHINGTON
Assistant Secretary and
Assistant Treasurer

BRITISH COLUMBIA TELEPHONE COMPANY

DIRECTORS - BIOGRAPHIES

BASIL A. BENETEAU

(See Officers - Biographies)

HARRY M. BOYCE

Born in Phoenix, B. C., Mr. Boyce spent 25 years on the staff of the B. C. Telephone Company and has been a director of the Company since 1943. He is a graduate of McGill University.

* * *

He became treasurer of B. C. Tel the same year he joined the Company, and was made a vice-president in 1950. In late 1962, following his retirement from the Company, he became president of the Yorkshire Corporation Ltd. In mid-1965, he became chairman of the board of the Yorkshire Financial Corporation Limited and its associated companies. He is presently Chairman of the Board of Yorkshire Trust Company.

* * *

He is a past chairman of the Vancouver Public Library Board and past president of the Vancouver Community Chest and Council, the Canadian Club of Vancouver and the Vancouver Advisory Board of the Salvation Army; a former member of the board of the Vancouver Foundation; and director of the British Columbia Telephone Company, the British American Bank Note Company Limited and other companies.

W. THOMAS BROWN

Mr. Brown was born in Vancouver, B. C. in 1912. He obtained his Bachelor of Arts in Economics at the University of B. C. in 1932 and his Master of Arts in Jurisprudence at Oxford.

He served in the Canadian army from 1939-45 and held the rank of Lt. Colonel on discharge. He was wounded in the Battle of Normandy in 1944.

He was a salesman with Odlum Brown and Co. from 1935-39 and after the Second World War became a director of Odlum Brown Investments Ltd. He was named president of the firm in 1958 and was elected president of Odlum Brown & T. B. Read Ltd. in 1966.

The company he heads is a member of the Investment Dealers' Association of Canada, the Toronto Stock Exchange, and the Vancouver Stock Exchange. Mr. Brown has served as a governor of the Vancouver exchange and was president of the IDAC in 1966-67.

He served as a member of the Royal Commission on Banking and Finance, which reported to the federal government in 1964. Mr. Brown has served as president or chairman with several community and civic organizations including the board of the Vancouver Public Library, the Canadian Club, the United Services Institute, the UBC Alumni Association and the Vancouver District Council of the Boy Scout Association. He was also a member of the UBC Senate and the Vancouver Police Commission.

He is currently a member of the board of the Vancouver School of Theology, the Vancouver Foundation, the Chris Spencer Foundation, the Army Benevolent Fund, the B. C. Corps of Commissionaires and the National Second Century Fund of B. C.

Mr. Brown is a director of Wardair Canada Ltd. and of Canadian Allied Property Investments Limited.

GERALD H. D. HOBBS

Mr. Hobbs is Director and President of Cominco Ltd., and Director and Vice-President, Hawaiian Western Steel Limited, Honolulu. He is also a director of several other companies, including The Bank of Nova Scotia, Halifax, MacMillan Bloedel Limited, and British Columbia Telephone Company, both of Vancouver.

* * *

He joined the RCASC in 1940 and served as an officer until 1946, when he entered the steel business, becoming General Manager of Western Canada Steel Limited in 1955, President in 1964 and Chairman, 1967 - 1972.

* * *

Mr. Hobbs is Vice-Chairman of the Management Committee, Health Sciences Centre at U.B.C., and is a director of The Institute for Research on Public Policy, Ottawa.

* * *

He was born March 11, 1921 in Vancouver, is married to Phyllis Rae (Nicolson) Hobbs and has two sons and two daughters.

ALLAN M. McGAVIN

Born January 15, 1911 in Darvel, Scotland, he came to Canada in 1913. He was educated at Upper Canada College, Toronto and at the San Diego Army and Navy Academy, Pacific Beach, Calif.

He began his business career in Edmonton in 1928 with McGavin Bakeries, established by his father and grandfather. He worked in Los Angeles, Pasadena, Lethbridge, Edmonton and Vancouver and was elected president of McGavin Bakeries in 1948. Since 1961 he has been president of McGavin ToastMaster Limited, formed at the amalgamation of the McGavin companies and Canadian Bakeries Ltd. In 1972 he was elected Chairman of the Board.

* * *

Mr. McGavin is Chancellor emeritus of the University of British Columbia. He is a director of several Canadian companies, including B. C. Forest Products Limited, British Properties Limited, Park Royal Limited, John Labatt Limited, Trans-Mountain Pipeline, Hudson's Bay Company, Hudson's Bay Oil and Gas Company Limited and The Bank of Nova Scotia. He is also on the Vancouver Advisory Board of the Royal Trust Company.

* * *

He has been active in many community and sports capacities, including co-Chairman of the 3 Universities Capital Fund; vice-president, Canadian Olympic Association; Honorary-Director, Amateur Athletic Union of Canada; Chairman, Pan American Games Committee; 1963 Chairman, United Appeal of Greater Vancouver; co-Chairman, B. C. Racing Commission and vice-president, Bakery Council of Canada.

He became a director of B. C. Telephone on March 11, 1971.

VICTOR F. MacLEAN

Born in Vancouver April 28, 1924, Mr. MacLean was educated at public and high schools in Vancouver.

* * *

He is a former Chairman of the Board and President of Kelly, Douglas & Company Limited and formerly President of Nabob Holdings Ltd., Super-Valu Stores (B.C.) Ltd., Nabob Foods Ltd., and Dickson's Food Services Ltd.

* * *

He is a Director of Crown Zellerbach Canada Ltd. and of National Trust Company; and a member of the Vancouver Advisory Board, Vancouver Board of Trade, Canadian Manufacturers Association and Canadian Chamber of Commerce.

* * *

Mr. MacLean joined Kelly, Douglas & Company Limited in 1947, became secretary and assistant treasurer in 1951, a director in 1952, executive vice-president in 1953, and president in 1957.

He became a director of B. C. Telephone on March 29, 1967.

JOHN W. PITTS

Mr. Pitts was born in Victoria, British Columbia on October 13, 1926. Although raised in Ashcroft, B. C., he attended school in Victoria, attaining his high school graduation from Brentwood College. After attending McGill University, where he graduated with a Mechanical Engineering degree in 1949, he spent two years at Harvard University, receiving a Master of Business Administration degree in 1951.

* * *

Upon graduation from Harvard, he returned to Vancouver and was employed for three years by The Vancouver Iron and Engineering Works. From 1953 onward, he was self-employed in his own manufacturing companies, producing certain specialty electrical products and products for the pulp and paper industry.

* * *

In October, 1970, Mr. Pitts became President of Okanagan Helicopters Ltd. and assumed the added responsibility of Chairman of the Board in April, 1972.

* * *

Mr. Pitts is a Director of B. C. Sugar Refinery Ltd., Crows Nest Industries Limited, Paccar, Inc., Royfund Ltd. and a number of other Canadian companies. He is a member of the Minister of Industry, Trade & Commerce Advisory Council, The Conference Board and the Canadian Economic Policy Committee.

* * *

Mr. Pitts is married and has two daughters and one son.

J. ERNEST RICHARDSON

(See Officers - Biographies)

HORACE B. SIMPSON

Mr. Simpson was born in Kelowna, B. C. March 17, 1917. He was raised and educated at public schools in Kelowna and Saskatoon.

* * *

In 1935 he entered the employ of S. M. Simpson Limited, a family forest products business, rising to the position of plant superintendent in 1938. In 1945 he was named assistant General Manager and vice-president. In 1955 he became president and general manager and retained these positions until 1965 when Crown Zellerbach Canada Ltd. acquired the company. From 1965 to 1967 he continued with Crown Zellerbach as manager of their interior operations. From 1967 to 1970 he was employed as a consultant to Crown Zellerbach.

* * *

In November, 1968 he became a director of Okanagan Holdings Ltd., a company engaged in property management and development. On July 30, 1969 he was elected to the position of vice-president.

* * *

Mr. Simpson is a director of Inland Natural Gas Co. Ltd., Brenda Mines Ltd., Okanagan Telephone Company and a number of private companies. He has been chairman of the Board of Trustees, Kelowna General Hospital for the past four years.

* * *

He married Joan Katherine Jennens of Kelowna on November 17, 1937 and they have one daughter and two sons.

HUGH R. STEPHEN

Mr. Stephen was born in Guildford, England on April 25, 1913. He began a newspaper career as a cub reporter at the age of 18 in London and worked on British newspapers for seven years before emigrating to Canada with his family in 1938.

Mr. Stephen served in the Canadian Army during the Second World War, first in the Coast Artillery and later as a member of a psychological warfare team with British forces in Southeast Asia.

He operated a laundry and dry cleaning company in Victoria from 1946 to 1962 and has served as an alderman, mayor, and president of the Victoria Art Gallery.

He was also president of the Laurier Club and a vice president of the Canadian Club.

He was elected president of the Victoria Chamber of Commerce in 1957 and was instrumental in the formation of the Capital Region Planning Board.

Mr. Stephen also was Chairman of the fund-raising campaign for the YMCA-YWCA headquarters building in Victoria.

He is a Governor of the Junior Chamber of Commerce of Canada, and was Vice-chairman of the Victoria Advisory Planning Commission 1950-1958. He is an Honorary Life Member of the Community Planning Association of Canada and a Patron of the Old Contemp-tibles Association. He was Chairman of the Capital Region Board in 1969.

He was married March 16, 1942 to Barbara Williams. The couple has three children.

Mr. Stephen's term of office as mayor in Victoria was in 1967-68-69.

He is presently a Director of the Victoria Conservatory of Music and of the Victoria Foundation and is a Governor and Hon. Treasurer of Brentwood College.

He is a Director of Home Oil Distributors Ltd. and a member of the B. C. Advisory Board of Canada Trust.

RICHARD B. WILSON

Born in Victoria, Mr. Wilson was educated at University School there, at Trinity College School, Port Hope, Ontario, and at McGill University where he graduated in 1924 with a Bachelor of Commerce degree. He was elected a director of B. C. Telephone Company March 29, 1967.

* * *

Mr. Wilson was president of Wilson Motors Limited from 1930 until 1955 and currently is a director of the Canada Trust Company, British Columbia Forest Products Limited, B. C. Telephone Company and Bapco Paint Co. Ltd.

He was mayor of the City of Victoria in 1962-63-64-65, and was chancellor of the University of Victoria from 1966 through 1969.

* * *

He is an honorary life member of the Alumni Association of the University of British Columbia, and received an honorary degree of Doctor of Laws from the University of British Columbia in 1969. He received an honorary degree of Doctor of Laws from the University of Victoria in 1971.

He is an honorary citizen of the City of Salaberry de Valleyfield, Quebec, and an honorary life member of the Architectural Institute of B. C.

He is a member of the Board of Governors of the Lester B. Pearson College of the Pacific.

BRITISH COLUMBIA TELEPHONE COMPANY

OFFICERS - BIOGRAPHIES

J. ERNEST RICHARDSON

Mr. Richardson was born in Winnipeg, Manitoba, on January 13, 1911. He was raised and educated in Halifax, Nova Scotia, where he attended public schools, the Halifax County Academy and Dalhousie University. He graduated in Arts from Dalhousie in 1934 and in Law in 1936 and was called to the Bar of Nova Scotia in 1936.

He was manager of the Eastern Trust Company in Charlottetown, P.E.I., from 1940 to 1942. He served with the 26th Battery, 4th Canadian Field Regiment, 1942-45.

He was secretary and general counsel with the Maritime Telegraph & Telephone Company Limited, Halifax, from 1946 to 1956; general commercial manager of that company from 1956 to 1957; assistant to the president, January 1, 1958; vice-president and director, February 19, 1958; and became president of the Maritime Telegraph & Telephone Company Limited in February, 1959, which position he held until September, 1963.

He also served as assistant to the president and director of the Island Telephone Company Limited, Halifax, from April, 1958, until he was named president of that company in May, 1959.

* * *

Mr. Richardson was appointed president and chief executive officer of B. C. Telephone Company, August 30, 1963. At the time of his appointment as president and chief executive officer of the B. C. Telephone Company, he was president of both the Maritime Telegraph & Telephone Company and the Island Telephone Company. In 1971 he assumed the added responsibilities of chairman of the board of B. C. Tel. Effective September 1, 1974, Mr. Richardson became Chairman and Chief Executive Officer of British Columbia Telephone Company.

* * *

Mr. Richardson is a director of MacMillan Bloedel Limited, Placer Development Ltd., The Halifax Insurance Company, the Commercial Life Assurance Company of Canada, Canada Cement Lafarge Ltd., Westcoast Transmission Company Ltd., and a vice-president of the board of directors of the Canadian Imperial Bank of Commerce. He is a member of the Board of Governors of the Employers' Council of B. C. and a Senior Member of the Conference Board.

* * *

He married Marian Stephens Findlay of Guelph, Ontario on June 22, 1940 and they have three sons and two daughters.

BASIL A. BENETEAU

Mr. Beneteau was born in Windsor, Ontario, on August 28, 1925. He received his Bachelor of Science Degree in Electrical Engineering from Queen's University in Ontario in 1948.

* * *

He joined Quebec-Telephone as an engineer in 1948 and was appointed district engineer for St. Henri de Levis in 1950. He was manager of the Bonaventure and Gaspé Telephone Co. Ltd., a subsidiary of Quebec-Telephone, from 1953-57, and was appointed director of commercial affairs in 1957.

* * *

He was named vice-president (operations) for Quebec-Telephone in 1962, became an executive vice-president in 1966 and the following year was named president and chief executive officer of the company. He was elected chairman of the Board in 1970. Mr. Beneteau was elected president of British Columbia Telephone Company effective September 1, 1974.

* * *

Mr. Beneteau is a founding member of the Board of Governors of the University of Quebec and a member of the Corporation of Engineers of Quebec.

* * *

He was married in 1948 to Margaret Ann Myers and the couple have four sons.

GILBERT F. AUCHINLECK

Mr. Auchinleck was born and educated in Vancouver. He was graduated in electrical engineering from the University of British Columbia in 1944 and joined B. C. Telephone Company in 1946 after serving two years in the Canadian Army as a lieutenant in the RCME.

* * *

Mr. Auchinleck has held a number of managerial positions in the Company including Interior and Island Division Manager. He was appointed Vice-President - Staff (Operations) in December, 1970 and was made Vice-President and General Manager (Coastal Area) in February, 1973. He was elected Vice-President - Service in March, 1974.

* * *

Mr. Auchinleck is a member of the Association of Professional Engineers of B. C.

ROLAND J. BOUWMAN

Mr. Bouwman was born in Heerlen, The Netherlands, and was educated at Leduc, Alberta, John Oliver High School in Vancouver and the University of British Columbia. He was in the RCAF for five years and was attached to the RAF for three years overseas as an Observer with the rank of Flight Lieutenant. He spent twelve years with the RCAF Auxiliary Reserve in Vancouver as O. C. Reserve Recruiting.

* * *

Mr. Bouwman took his law degree at UBC and was called to the bar in October, 1955. In 1956, he became a prosecutor for the City of Vancouver and was deputy city prosecutor from 1964 until July 1, 1968 when he was appointed general counsel of the B. C. Telephone Company. He was named general counsel and secretary on August 1, 1969, and was elected Vice-President, General Counsel and Secretary in March, 1974.

* * *

For eight years he was a member of the Board of the Vancouver Centennial Museum and H. R. MacMillan Planetarium and was also on the Executive Committee of the Vancouver Bar Association.

At present he is a member of the Vancouver Justice Council.

JACK C. CARLILE

Mr. Carlile was born in Vancouver. He graduated in electrical engineering and commerce from the University of British Columbia and went on to serve with Canadian Industries Limited and, later, Brazilian Traction, Light and Power Company.

* * *

He joined B. C. Telephone in 1954 and served in various management capacities in the plant, engineering and finance departments before becoming Vice-President - Finance in 1966. He was elected Vice-President - Administration in March, 1974.

* * *

Mr. Carlile rejoined the Company in 1974 after a two and a half year term as President of the Trans-Canada Telephone System.

LEO J. DOOLING

Mr. Dooling was born in Cranbrook. He received his Bachelor of Commerce degree from the University of British Columbia in 1960, and obtained his Chartered Accountant certificate in 1963 while with Price Waterhouse and Company.

* * *

He joined the B. C. Telephone Company in 1966 as senior staff auditor, and has served as internal audit supervisor, co-ordinator of financial planning and analysis, and, in 1971, became budget director.

* * *

Mr. Dooling was elected Comptroller of the Company in March, 1974.

He has served on various committees of the Institute of Chartered Accountants of B. C.

TERENCE F. HEENAN

Mr. Heenan was born and raised in Halifax. He obtained his Bachelor of Science degree from St. Mary's University, Halifax, in 1947, and his Bachelor of Electrical Engineering degree from Nova Scotia Technical College, Halifax, in 1949. The same year, he joined the Maritime Telegraph and Telephone Company in Halifax and held various positions in the engineering and traffic departments before becoming Assistant Chief Engineer with that company in 1963.

* * *

In 1965, he was appointed Chairman of the Advisory Group of the Trans-Canada Telephone System, with headquarters in Montreal. He held that post until his appointment with B. C. Telephone Company.

* * *

On September 1, 1967, he was appointed Vice-President - Staff (Operations) with B.C. Tel and on December 15, 1970, he became vice-president - operations.

GORDON F. MacFARLANE

Mr. MacFarlane was born in Victoria in 1925. He attended the University of British Columbia following service with the RCAF from 1943 to 1946, and in 1950 he obtained his Bachelor of Applied Science degree in electrical engineering.

He joined the B. C. Telephone Company in May, 1950 and has served as an equipment engineering assistant, automatic equipment engineer, plant extension engineer, Coastal Division engineering and construction manager, district manager, and director of plant and engineering services. He was appointed chief engineer and director of plant services in February, 1966.

* * *

On October 1, 1967, Mr. MacFarlane was appointed vice-president - operations, and on December 15, 1970, became vice-president - corporate development. In this capacity, he is responsible for the formulation of corporate plans, policies, and objectives, and for liaison with other communications companies and organizations and departments of Government. His responsibilities also include regulatory matters, management information services and services development.

Mr. MacFarlane is a member of the Board of Management of the Trans-Canada Telephone System; a director of, and member of the Policy Committee of, the Canadian Telecommunications Carriers Association; and a director, and a member of the Executive Committee of the Board of Directors, of Telesat Canada. He is also a Member of Council of the Vancouver Board of Trade.

JAMES A. MacINNES

James A. MacInnes, Vice-President - Public Affairs, was born in Edmonton, Alberta, and moved to British Columbia at an early age. He graduated from the University of British Columbia in 1950 with a Bachelor of Applied Science degree in mechanical engineering, and began his career with B. C. Tel in June of the same year. After holding a number of management positions in the Engineering Department, he became Safety Director in 1958, and Coastal Division Engineering and Construction Manager in 1963. In 1966, Mr. MacInnes became Director of Public Affairs, and in September, 1972, was elected as Vice-President - Public Affairs.

* * *

He is a member of the Association of Professional Engineers of B. C., the American Society of Mechanical Engineers and the Canadian Public Relations Society, and is a member of the Board of Governors of Junior Achievement of B. C.

D. BARRY McNEIL

Mr. McNeil was educated at Vancouver College and the University of British Columbia. He joined Riddell, Stead, Graham and Hutchison, chartered accountants, in 1952, obtained his chartered accountant's certificate in 1957 and became a partner in the firm in 1964.

* * *

Throughout this period he was associated with the B. C. Telephone Company in connection with auditing, financial and regulatory affairs.

On August 1, 1967, Mr. McNeil was appointed Comptroller of the Company, and on July 22, 1971, was appointed Vice-President - Comptroller. He was named Vice-President - Finance in March, 1974.

* * *

He was elected a Fellow of the Institute of Chartered Accountants of B. C. in 1972.

GORDON M. SMITH

Mr. Smith was born and educated in Nelson, British Columbia. He was in the RCAF from 1941 to 1945 attaining the rank of Flight Lt. He was with the RCAF Reserve from 1948 to 1955 retiring with the rank of Wing Commander.

* * *

Mr. Smith joined the B. C. Telephone Company in 1946 and has held a number of management positions including Northern Division Engineer, Plant Director, Manager of the Company's Northern Division and Manager of the Island Division.

* * *

He was elected in March, 1974, as Vice-President - Service (Staff).

He is responsible for engineering standards and for methods and procedures in the Company's Plant, Traffic and Customer Service operations. He also has responsibility for B. C. Tel's Supplies, Transportation and Buildings division as well as Flight operations.

ROBERT H. STEVENS

Mr. Stevens was born in Vancouver and educated in Prince George and Kamloops. He joined B. C. Telephone Company in 1952. After several years in Plant, Commercial and Marketing, he was appointed District Sales Manager in Nelson followed by his appointment as Commercial and Traffic Manager at Nanaimo.

* * *

He later served as District Manager in Dawson Creek and Victoria and as the Company's Industrial Relations Manager. Mr. Stevens returned to the Marketing Group in 1970 as Director of Marketing and Sales.

* * *

He was elected Vice-President - Marketing in March, 1974.

J. NEIL STEWART

Mr. Stewart was born in Prince George and received his Bachelor of Commerce degree from the University of British Columbia in 1958. He obtained his Chartered Accountant's certificate in 1961 while with Price Waterhouse and Company.

* * *

He joined the B. C. Telephone Company in August, 1965 as Internal Auditor and became Assistant Secretary and Assistant Treasurer in 1969. Mr. Stewart was appointed Nanaimo District Customer Service Manager in 1970, and served in that position until his election as Assistant Treasurer in December, 1971.

* * *

He was elected Treasurer of the Company in March, 1974.

FRANK S. TUCKER

Mr. Tucker was born in Kelowna and educated in Vancouver. He joined the B. C. Telephone Company in 1939 and started his career in the construction department. He served with the Canadian Army from 1943 - 1946 in the Royal Canadian Artillery.

* * *

Upon his return to the Company he held a number of positions before being appointed toll equipment co-ordinator for the Interior division in 1961. He later became Interior division engineer and, in turn, Coastal division plant manager. He was named director of plant and customer service in 1971.

* * *

In February, 1973, Mr. Tucker was elected vice-president - personnel and industrial relations.

GERALD G. WASHINGTON

Mr. Washington was born in Summerland, British Columbia and received his education there and in Vancouver.

* * *

He joined Canadian Telephones and Supplies Limited in 1956 and held a number of positions before being appointed Comptroller and Assistant Secretary of C. T. & S. in 1965.

* * *

Effective May 15, 1974, Mr. Washington was elected Assistant Secretary and Assistant Treasurer of the B. C. Telephone Company.

BRITISH COLUMBIA TELEPHONE COMPANY

Capsule History

Telephones were first installed in British Columbia in the Spring of 1878 at two different locations on Vancouver Island. A mechanic named William H. Wall, at the Wellington Colliery of Dunsmuir, Diggle and Company, manufactured two telephone instruments and they were installed on a wire line built between the mine and loading docks at Departure Bay, a few miles away. At approximately the same time, Mr. R. B. McMicking, Superintendent of British Columbia Telegraphs, leased two telephone instruments from the Bell Telephone Company of Canada and installed them on a line between his home and a downtown office in Victoria, for demonstration purposes.

1 8 8 0

First telephone company in British Columbia was incorporated May 8, 1880, as the VICTORIA AND ESQUIMALT TELEPHONE COMPANY, LIMITED.

1 8 8 4

First mainland system was founded February 18, 1884, as the NEW WESTMINSTER AND PORT MOODY TELEPHONE COMPANY, LIMITED. The name was changed April 6, 1886, to the NEW WESTMINSTER AND BURRARD INLET TELEPHONE COMPANY, LIMITED.

1 8 8 6

1 8 9 1

The VERNON AND NELSON TELEPHONE COMPANY, LIMITED, was incorporated April 20, 1891.

1 8 9 9

New Westminster and Burrard Inlet Telephone Company, Limited, acquired Victoria and Esquimalt Telephone Company, Limited, in 1899.

1 9 0 3

Vernon and Nelson Telephone Company, Limited, was authorized to extend operations to all parts of the province May 11, 1903.

1 9 0 4

On March 14, 1904, the assets of the New Westminster and Burrard Inlet Telephone Company, Limited, and the Victoria and Esquimalt Telephone Company, Limited, were purchased by the Vernon and Nelson Telephone Company, Limited, which on July 5, 1904, had its name changed to
BRITISH COLUMBIA TELEPHONE COMPANY, LIMITED.

B.C.Tel Capsule History (Cont'd)

- 1 9 1 6 On April 12, 1916, the WESTERN CANADA TELEPHONE COMPANY was incorporated as a federal company, with powers to operate anywhere in British Columbia and to extend lines outside B. C.
- 1 9 1 9 On November 29, 1919, authorization was granted to change the name from Western Canada Telephone Company to BRITISH COLUMBIA TELEPHONE COMPANY (without the Limited).
- 1 9 2 3 On February 8, 1923, the assets of the provincial British Columbia Telephone Company, Limited, were transferred to the new federal company. This marked the start of B. C. Tel as it is today.
- 1 9 2 9 The NORTH-WEST TELEPHONE COMPANY obtained a provincial charter in 1929.
- 1 9 5 2 British Columbia Telephone Company acquired the MISSION TELEPHONE COMPANY LIMITED in 1952;
- 1 9 5 3 acquired the KOOTENAY TELEPHONE COMPANY LIMITED in 1953;
- 1 9 5 4 with the North-west Telephone Company took over part of the GOVERNMENT TELEGRAPH AND TELEPHONE SERVICE territory in B. C. in 1954; and acquired CHILLIWACK TELEPHONES LIMITED in 1954.
- 1 9 6 1 In 1961, the North-west Telephone Company was amalgamated with British Columbia Telephone Company.
- 1 9 6 6 In 1966, the British Columbia Telephone Company acquired controlling interest in the Okanagan Telephone Company. At December 31, 1974 the British Columbia Telephone Company held 99.89 per cent of the Okanagan Company's outstanding common shares.
- 1 9 7 3 In 1973, the British Columbia Telephone Company acquired all of the outstanding shares of Canadian Telephones and Supplies Ltd.
- 1 9 7 4 Through an amendment to the Company's Special Act of Incorporation which received Royal Assent in the Parliament of Canada on December 13, 1974, a French version of the corporate name has been added - La Compagnie de Téléphone de la Colombie-Britannique.

BRITISH COLUMBIA TELEPHONE COMPANY

Company Ownership

*The British Columbia Telephone Company
is an investor-owned company, incorporated
federally.*

Anglo-Canadian Telephone Company of Montreal is the major stockholder, as it has been since 1935 when it acquired 44,943 (or 99.9%) of the 45,000 Ordinary (voting) shares then outstanding.

By 1950, Anglo-Canadian held all of the 60,000 Ordinary shares issued. Public acquisition of Ordinary shares issued during the following years reduced the Anglo-Canadian interest to as low as 33.75% of the Ordinary shares, a position reached in April, 1954.

Anglo-Canadian subsequently increased this interest gradually until by December 31, 1973, through shares acquired privately, on the open market, and from rights issues, it held 50.69% of the issued Ordinary shares.

At December 31, 1974, Anglo-Canadian Telephone held 1,914,084 Ordinary shares, or 50.82% of the 3,766,449 then issued and outstanding.

General Telephone & Electronics Corporation of the United States controls Anglo-Canadian Telephone Company in which it acquired controlling interest in October, 1955. At December 31, 1974, General Telephone & Electronics Corporation held an 83.28% voting control in Anglo-Canadian.

Dominion Directory Company Limited which handles printing and advertising sales for telephone directories for B. C. Tel and other telephone companies in Canada, also is a wholly-owned subsidiary of Anglo-Canadian Telephone.

BRITISH COLUMBIA TELEPHONE COMPANY

S H A R E H O L D E R S

Ordinary Shareholders
(at end of 1974)

Total Number of:	
Shareholders	S h a r e s
5,444	3,766,449

	I n	Shareholders	S h a r e s
***	British Columbia	2,843 (52.2%)	584,354 (15.5%)
	Canada	5,208 (95.6%)	3,725,936 (98.9%)
	United States	160)	18,356)
	United Kingdom	50) (4.4%)	17,783) (1.1%)
	Other Foreign	26)	4,374)
	T O T A L	<u>5,444</u>	<u>3,766,449</u>

*** These include holdings of Anglo-Canadian Telephone Company

Preference and
Preferred Shareholders
(at end of 1974)

Total Number of:	
Shareholders	S h a r e s
17,187	3,215,000

	I n	Shareholders	S h a r e s
	British Columbia	10,118 (59%)	838,260 (33%)
	Canada	16,975 (98.8%)	3,204,102 (99.7%)
	United States	151)	6,490)
	United Kingdom	47) (1.2%)	1,956) (.3%)
	Other Foreign	14)	2,452)
	T O T A L	<u>17,187</u>	<u>3,215,000</u>

BRITISH COLUMBIA TELEPHONE COMPANY

C O A S T A L A R E A

EAST DIVISION - COASTAL AREA

The East Division, with headquarters in Burnaby, includes the eastern part of Vancouver, Burnaby, New Westminster, all of the Fraser Valley, and extends as far east as to include Boston Bar and Yale.

The Division covers an area of 8,580 square miles, or 2.3% of the total area of the province.

	T e l e p h o n e	
	Business	Home
<u>Division Manager:</u> C. R. Swabey	662-8004	980-3555
<u>District Managers:</u>		
Vancouver East - Burnaby District:		
A. A. Higinbotham	438-2131	266-2022
New Westminster District:		
T. R. Watson	522-1277	263-5874
Lower Fraser Valley District:		
R. J. E. Smith	588-9811	435-7216
Upper Fraser Valley District:		
F. V. Bogle	853-7543	859-9215

BRITISH COLUMBIA TELEPHONE COMPANY

C O A S T A L A R E A

WEST DIVISION - COASTAL AREA

The West Division, with headquarters in Vancouver, includes the western part of Vancouver, Richmond and Steveston, North Vancouver and Deep Cove, West Vancouver and Whytecliff, the Sechelt Peninsula and the Howe Sound area including Squamish and extending to Pemberton.

The Division covers an area of 3,740 square miles, or 1.0% of the total area of the province.

		T e l e p h o n e	
		Business	Home
<u>Division Manager:</u>	G. K. Stenner	662-8027	261-0426
<u>District Managers:</u>			
Vancouver West - Richmond District:			
	J. L. Reid	731-1213	943-9118
Vancouver South District:			
	G. A. Mitchell	872-2432	324-2800
Vancouver Central District:			
	R. Johnston	662-0505	298-1522
North Shore District:			
	B. Bagley	980-2711	926-4449

BRITISH COLUMBIA TELEPHONE COMPANY

I S L A N D D I V I S I O N

The Island Division, with headquarters in Victoria, includes all of Vancouver Island and the mainland coast from Jervis Inlet, just below Powell River, north to the boundary of the Northern Division, with the exception of Bella Coola. There are three Districts in the Division: Victoria, Nanaimo, and Campbell River.

The Division covers an area of 32,230 square miles, or 8.8% of the total area of the province.

		T e l e p h o n e	
		Business	Home
<u>Division Manager:</u>	R. E. Henderson	388-8991	652-1928
<u>District Customer Service Managers:</u>			
Victoria District -	B. J. Parker	388-8941	479-4237
Nanaimo District		753-3120	
Campbell River District	- C. L. Bennie	287-3324	923-6464

BRITISH COLUMBIA TELEPHONE COMPANY

I N T E R I O R . D I V I S I O N

The Interior Division, with headquarters at Kamloops, extends from the eastern boundary of the Coastal Division to the Alberta border and from the international boundary to a line drawn across the province that passes just south of Quesnel. After reaching the coast the line dips below the Queen Charlotte Islands. Bella Coola is included in this Division. There are three Districts: Kamloops, West Kootenay (Headquarters - Nelson) and East Kootenay (Headquarters - Cranbrook).

The Division covers an area of 73,251 square miles or 20.00% of the total area of the province.

T e l e p h o n e			
		Business	Home
<u>Division Manager:</u>	T. G. Williams	374-4212	374-3400
<u>Division Customer Service Manager:</u>			
	D. A. Smith	374-4229	372-2100
<u>District Customer Service Managers:</u>			
Kamloops District -	R. J. Mark	374-4233	374-1640
West Kootenay District -	N. C. Bowman	352-9221	352-6161
East Kootenay District -	J. J. McGimpsey	426-4848	426-7300

BRITISH COLUMBIA TELEPHONE COMPANY

N O R T H E R N D I V I S I O N

The Northern Division, with headquarters in Prince George, consists of all territories north of the Interior Division boundary (a line from the Alberta border to the coast that passes just south of Quesnel) served by the Company. This includes the Queen Charlotte Islands and Kitimat on the coast, Atlin on the north and the Peace River area in the east. The Division is divided into three Districts: Prince George, Terrace and Peace River.

The Division covers an area of 238,066 square miles or 65.00% of the total area of the province.

		T e l e p h o n e	
		Business	Home
<u>Division Manager:</u>	R. C. Simpson	563-1434	562-1000
<u>District Managers:</u>			
Prince George	- P. W. Hedman	563-1454	563-5800
Terrace	- S. G. Patterson	635-5011	635-3044
Peace River	- W. A. Ronquist	782-3545	782-2121

BRITISH COLUMBIA TELEPHONE COMPANYSUPPLY, TRANSPORTATION AND BUILDINGS DEPARTMENT

The Company maintains a central purchasing and warehousing operation at 6969 - 10th Avenue, Burnaby, B. C.

* * *

On this 21-acre site are the Purchasing Department; a central stores depot that serves as the main supply warehouse for the whole Company; and the Transportation Department which maintains all Company vehicles. Here also are shops where used equipment is repaired and rehabilitated and new equipment is modified to meet special customer requirements. The Buildings Department whose responsibility is the maintenance of Company buildings is located in the New Westminster District Office at 80 - 6th Street, New Westminster.

T e l e p h o n e	
Business	Home

Director of Supply
Transportation & Buildings

E. P. LaBelle

526-0861

683-3636

BRITISH COLUMBIA TELEPHONE COMPANY

History of Regulation

The British Columbia Telephone Company, in common with other utility companies in North America, operates under regulation by a government body.

Since B. C. Tel is incorporated as a federal company in Canada, it comes under the regulation of a federal agency, the Canadian Transport Commission, formerly known as the Board of Transport Commissioners for Canada.

The Company reports regularly to the Commission on all matters relating to telephone rates, services and earnings and must obtain the Commission's approval for issue of share capital.

Since 1921, the Company has made six applications to the Board for general rate increases to produce the revenue necessary to meet approved operating costs and to provide a reasonable return on investment so that the Company could obtain additional funds for expansion and improvement in service.

The following outlines briefly the rate applications since 1921 and the results that have ensued. The appended table shows the effect the rate changes have had on exchange services in Vancouver and Victoria.

1 9 4 9

June 29, 1949

On this date, B. C. Telephone Company filed the first application for an increase in rates since 1921. The request was for a general increase in exchange rates to produce additional exchange revenues of \$2,261,741 per year, amounting to an increase of 17 per cent in gross revenues.

1 9 5 0

The Board, in an interim order issued May 31, 1950, following public hearings in Vancouver from January 10-23, 1950 and in Victoria on January 18, 1950, authorized an increase amounting to \$1,632,455 per year or an increase of 12.27 per cent on gross revenues.

History of Regulation

On September 21, 1950, the Board's final judgment permitted introduction of a rate schedule which the Company estimated would produce an additional revenue of \$2,046,553 per year, or an increase of 15.39 per cent of gross revenues. This represented 90.5 per cent of what the Company had sought.

1951

May 19, 1951

The B. C. Telephone Company filed application for increases in exchange and toll rates to meet wage and tax cost increases amounting to \$2,202,527 a year.

It sought toll rate increases to produce additional revenue of \$661,425 annually, an increase of 12.42 per cent, and exchange rate increases to produce additional revenue of \$1,535,201 annually, an increase of 11.38 per cent. Together, the increases sought were for additional revenue of \$2,196,626 annually, an increase of 11.38 per cent in gross revenues.

An interim order by the Board on July 6, 1951, granted the \$661,425 increase in toll revenues effective July 14, 1951 and an increase of \$1,202,914 in exchange revenues, or a total of \$1,863,339, representing 85.6 per cent of the amount sought.

Subsequently, the Company filed two amendments to the application, the first on October 9, 1951, and the second on November 19, 1951, which requested additional increases in exchange rates to bring the total annual additional revenue from this source to \$1,858,888, or an increase of 14.26 per cent in exchange revenues.

On January 8, 1952, the Board's final judgment confirmed the toll rate increase authorized in its interim order and authorized exchange rate schedules estimated to produce \$1,685,922 in additional annual exchange revenue, an increase of 12.88 per cent. The total authorized increased rates were estimated to produce additional revenues of \$2,347,347 annually, or an increase of 12.16 per cent in gross revenues.

History of Regulation

1 9 5 2

October 22, 1952

The B. C. Telephone Company filed application for an increase in exchange (including local coin telephone calls) and toll rates.

Rate schedules submitted represented an average increase of 12.2 per cent in the toll items subject to increase, an increase to 10 from 5 cents in coin telephone local call rates, and exchange rate increases representing an average increase of 14.6 per cent in the items subject to increase.

On November 24, 1952, at an interim hearing in Ottawa, the Company requested immediate relief in the amount of \$2,451,021 to cover wage and tax increases and to meet dividend and surplus requirements.

On December 4, 1952, the Board approved interim rates to be effective December 11, 1952. These granted in full the increases sought by the Company in rates and charges for the long distance toll message service, leased wire, coin telephone local calls, hotel local calls, excess measured calls, service connection and move and exchange charges, and approximately 35 per cent of the proposed increase in exchange service rates. This represented 65 per cent of the increased additional revenue sought by the Company.

1 9 5 3

On February 23, 1953, the Company submitted a revised additional revenue requirement figure of \$2,964,701. An estimated reduction in 1953 corporate income taxes reduced the revised request to \$2,609,482.

On March 24, 1953, the Board's final order confirmed the rates approved at the interim hearing and allowed increases in exchange rates which the Company estimated would result, in total, in additional revenues for 1953 of \$2,452,071, or 94 per cent of its revised request. This represented a 9.95 per cent increase in gross revenues.

History of Regulation

1 9 5 8

April 2, 1958

The B. C. Telephone Company filed an application for increases in exchange and toll rates and submitted rate schedules to produce \$1,513,961 annually in additional toll revenues, an increase of 10.11 per cent, and \$4,945,632 annually in additional exchange revenues, an increase of 17.62 per cent. Total additional annual revenues sought amounted to \$6,459,593, or an increase of 14.29 per cent in total operating revenues.

On May 10, 1958, the Company filed notice of amendment to the application, decreasing the additional revenues required to \$3,996,000 from the \$6,459,593 in the original application. The decrease was required because the original application included an amount to cover future payment of deferred income tax which the federal cabinet subsequently ruled could not be included as a cost for rate-making purposes.

The Board's final judgment on the application was issued July 18, 1958 and disallowed 67.46 per cent of the requested increase. The Company estimated the rates approved would produce additional revenues of \$1,318,324, or an increase of 2.97 per cent in total operating revenues.

September 15, 1958

The B. C. Telephone Company filed application for increases in exchange and toll rates to enable it to meet income tax payments on the basis of charging straight-line depreciation as an operating expense. The federal cabinet order had prohibited credits to a deferred tax reserve from being considered by the Board as an expense of the Company for rate-making purposes. The Company decided it was in the interests of the Company and its subscribers to pay taxes in full.

Schedules were submitted for increased toll and exchange rates to produce total additional revenues of \$5,753,842, an increase of 12.57 per cent in total operating revenues.

On December 24, 1958, the Board issued its final judgment approving rates that would produce additional annual revenue of \$5,232,247, or an increase of 11.43 per cent in total operating revenue. This amounted to 90.93 per cent of the Company request.

History of Regulation

1 9 6 5

March 1, 1965

The Board of Transport Commissioners initiated a public review of the Company, serving notice on this date that it would hold public hearings in Vancouver to examine the Company's capital investment, revenues and expenses, debt charges, dividend payments and retained earnings; the permissive level of the Company's earnings and the basis on which such permissive level may be authorized for telephone rate purposes. The Board stated: "The Board does not intend at this time to enquire into the propriety of existing rates."

The public hearing began in Vancouver, October 25, and lasted 14 sitting days, ending November 12, 1965.

The Company asked that the Board find that the Company's level of earnings at that time was fair and reasonable. The Company also asked the Board to express its measurement of the Company's earnings in terms of earnings related to total capital employed in the business. The Company adopted the contention of an independent witness appearing for the Company that in the circumstances existing at that time, a reasonable range of earnings would be between 6.5% and 7.25% of capital employed.

In its judgment handed down May 4, 1966, the Board found the Company's rates and earnings were just and reasonable. The Board also accepted the request that the Company's permissive level of earnings be expressed in terms of percentage of invested capital.

The Board set the level of permissive earnings at between 6.2% and 6.6% of average invested capital, with fractions of less than 0.05% to be dropped in the computation and fractions of 0.05% and higher to be raised up to the next tenth of one per cent in the computation.

The Board also stated that, "its findings in the circumstances and conditions of a particular time, including the probable future trend of those circumstances and conditions, are not necessarily applicable to future times when circumstances and conditions may be altogether different."

History of Regulation

1 9 6 9

January 22, 1969

Letter received from Railway Transport Committee advising Company that it has reviewed Company's present rate of return and that, in view of changed conditions, it will not order a reduction in the Company's rate structure at this time.

1 9 7 1

February 4, 1971

The B. C. Telephone Company filed an Application for increases in Exchange, Toll and other rates. Submitted were rate schedules to produce \$16 million annually in increased revenues. The rate increases proposed for Exchange Service were 14.8% on average. For Toll Service 5¢ or 10¢ rate increases were proposed for most station calls 67 miles or less, and 10¢ to 45¢ increases for person calls 600 miles or less. The proposed increases for service charges ranged from 50% to 100%.

July 30, 1971

The Commission approved new rates effective September 1, 1971 which were estimated to represent an increase of 4.45% or about \$9,400,000 in total 1972 revenues. The proposed rate increases were granted in all categories except Exchange Service where the C.T.C. authorized only a 2.5% increase (rather than 6% requested).

1 9 7 4

March 28, 1974

The Company filed with the Commission for rate revisions estimated to produce additional revenues of \$14,900,000 in 1974 and a return on total invested capital of approximately 8.25%. This increased revenue estimate was later revised to \$15,300,000 and 8.19% rate of return on total invested capital.

The Application proposed that exchange service rates be restructured increasing, on the average, residence rates by 4.7% and business rates (for primary services) by 9.5%. In the residence category, there were decreases up to 40 cents per month and increases of up to 90 cents per month.

History of Regulation

1 9 7 4

March 28, 1974 (Cont'd)

New rate concepts that were proposed included: a 25¢ charge for certain calls to Directory Assistance, a two element service connection charge plan, a Residence Optional toll Calling Plan and a Station Weighting Plan to improve the cost versus revenue relationship in providing Extended Area Service.

Long distance proposed rate increases included: one cent on the overtime minute rate for customer dialed calls between 30 and 175 miles, five cents on the initial three minutes of operator handled calls over 30 miles and five cents on the person-to-person surcharge for calls over 30 miles.

1 9 7 5

January 16, 1975

The Commission approved in full the Company's Application filed March 28, 1974 with rates that were made effective February 15, 1975. It also approved a rate of return in the range 9.0% to 9.5%.

March 17, 1975

The Company filed with the Commission for increased rates estimated to produce additional revenues of \$50,000,000 in 1976. Proposed rates were increased generally 19.8% for all services.

Special rate proposals with social significance included in the Application were: a 50 per cent discount on basic exchange service rental for customers 65 years and older receiving the Federal Guaranteed Income Supplement; the removal of the 25 cent charge for residence hard-of-hearing handsets, and the introduction of separate rates for coin telephone sent-paid calls.

PROGRESSION OF TYPICAL EXCHANGE TELEPHONE RATES

Vancouver Exchange

<u>D A T E</u>	<u>Individual Business</u>		<u>Individual Residence</u>	
	<u>Basic Monthly Rate</u>	<u>Service Connect Charge</u>	<u>Basic Monthly Rate</u>	<u>Service Connect Charge</u>
1919, December 23	\$ 6.00	\$ --	\$ 3.00	\$ --
1921, August 16	6.60	4.00	3.30	3.00
1937, November 1	7.50	4.00	3.50	3.00
1950, June 10	9.75	4.00	4.20	3.00
1950, October 6	10.25	4.00	4.40	3.00
1951, July 14	11.25	4.40	4.85	3.30
1952, January 14	11.70	4.55	5.00	3.40
1952, December 11	12.40	5.30	5.20	3.95
1953, April 1	13.25	5.30	5.35	3.95
1958, August 1	13.70	5.30	5.50	3.95
1958, September 8	13.70	6.50	5.50	4.50
1959, January 1	17.10	6.50	6.25	4.50
1961, May 1	17.10	10.00	6.25	6.00
1971, September 1	17.55	15.00	6.40	10.00
1975, February 15	20.20	15.00/25.00	6.95	10.00/15.00

PROGRESSION OF TYPICAL EXCHANGE TELEPHONE RATES

Victoria Exchange

<u>D A T E</u>	<u>Individual Business</u>		<u>Individual Residence</u>	
	<u>Basic Monthly Rate</u>	<u>Service Connect Charge</u>	<u>Basic Monthly Rate</u>	<u>Service Connect Charge</u>
1919, December 23	\$ 5.00	\$ --	\$ 3.00	\$ --
1921, August 16	5.50	4.00	3.30	3.00
1950, June 10	7.00	4.00	3.50	3.00
1950, October 6	7.35	4.00	3.65	3.00
1951, July 14	8.10	4.40	4.00	3.30
1952, January 14	8.40	4.55	4.15	3.40
1952, December 11	8.90	5.30	4.35	3.95
1953, April 1	9.50	5.30	4.50	3.95
1958, August 1	10.00	5.30	4.65	3.95
1958, September 8	10.00	6.50	4.65	4.50
1959, January 1	13.20	6.50	5.40	4.50
1961, May 1	13.20	10.00	5.40	6.00
1971, September 1	13.55	15.00	5.55	10.00
1975, February 15	14.35	15.00/25.00	5.75	10.00/15.00

BRITISH COLUMBIA TELEPHONE COMPANY

Explanation of Rate Groups

Telephone rates in the British Columbia Telephone Company system now are based on the rating concept approved in 1975 by the Canadian Transport Commission.

Monthly charges for local business and residence telephones are known as "monthly exchange service rates" and these vary according to the number of weighted main stations that can be reached without toll charge in the local free-calling area concerned.

The following pages set out the Exchange Rate Groups and the monthly Exchange Rates applied to each Group.

* * *

Moves from one group to another are regulated. The Company must report to the Canadian Transport Commission twice a year on any exchange which outgrows its rate group by at least five per cent. Where it is shown that the exchange will likely continue to have its total main stations remain above its existing rate group's upper limit, the Commission directs the Company to adjust the rates of the particular exchange to conform with the proper grouping. The same procedure applies should the total main stations in an exchange drop below the bottom station limit of the current grouping.

* * *

The common basis is applied uniformly to exchanges of similar telephone development and rates are compatible with the scope of service offered.

EXCHANGE RATE GROUPS

1. The station limits of the various rate groups are given below:

<u>Rate Group</u>	<u>Telephone Count</u>
1	Exchanges without 24-hour service (Note)
2	1 - 1,000
3	1,001 - 4,000
4	4,001 - 12,500
5	12,501 - 30,000
6	30,001 - 75,000
7	75,001 - 145,000
8	145,001 - 300,000
9	300,001 - 550,000
10	550,001 - 1,000,000
11	1,000,001 - 1,900,000
12	1,900,001 - 3,100,000
13	3,100,001 - 4,300,000
14	4,300,001 - 5,500,000
15	5,500,001 - 6,700,000
16	6,700,001 - 7,900,000

2. Telephone Count

The telephone count includes all main stations, centrex stations and PBX trunks. In an exchange without extended area service this count is then compared to the station limits above to determine the appropriate rate group.

3. Station Weighting Factors

In an exchange with extended area service, the telephone count of each exchange with which it has free calling is multiplied by the weighting factors corresponding to the distance between each exchange. The total of these weighted stations are added to the telephone count of the exchange being classified. This is then compared to the station limits to determine the appropriate rate group.

<u>Airline Mileage Between Exchanges</u>	<u>Weighting Factor</u>
0 - 3	1
4 - 10	3
11 - 15	9
16 - 20	17
21 - 25	20
26 - 30	23
31 - 35	26
36 - 40	29
41 - 45	32

Note: When 24-hour service is introduced, either by manual or automatic operation, Group 2 rates will become applicable.

EXCHANGE RATES

The following table specifies the monthly exchange rates which shall apply to each unit of main station service or private branch exchange trunk service in all rate groups. The rates for main station services include the provision of standard single-line telephones.

Rate Group	BUSINESS SERVICES					RESIDENCE SERVICES		
	Individual (Note 1)	Individual Measured (Notes 1 & 2)	Multi-Party	PBX Trunk 1-Way	PBX Trunk 2-Way/or Computer Trunk (Note 3)	Individual	Two-Party	Multi-Party
1	\$ 5.90	\$	\$ 3.60	\$ 8.30	\$10.30	\$ 3.65	\$ 2.85	\$ 2.35
2	7.00	.....	4.20	9.80	11.80	3.95	3.05	2.50
3	8.10	.....	4.80	11.30	13.30	4.25	3.25	2.65
4	9.30	.....	5.40	12.80	14.80	4.55	3.45	2.80
5	10.50	.....	6.00	14.30	16.30	4.85	3.65	2.95
6	11.70	.....	6.60	15.80	17.80	5.15	3.90	3.15
7	12.90	.....	7.20	17.30	19.30	5.45	4.15	3.35
8	14.35	8.10	7.80	18.80	20.80	5.75	4.40	3.55
9	15.80	8.80	8.40	20.30	22.30	6.05	4.65	3.75
10	17.25	9.50	9.00	21.80	23.80	6.35	4.90	3.95
11	18.70	10.20	9.60	23.30	25.30	6.65	5.15	4.15
12	20.20	11.05	10.35	25.10	27.10	6.95	5.40	4.35
13	21.70	11.90	11.10	26.90	28.90	7.25	5.65	4.55
14	23.20	12.75	11.85	28.70	30.70	7.70	6.10	4.95
15	24.70	13.60	12.60	30.50	32.50	8.35	6.75	5.55
16	26.20	14.45	13.35	32.30	34.30	9.25	7.60	6.35

Note: 1. Where consecutive numbers are required for two or more individual flat or measured rate lines in connection with a single service, the following additional monthly charge is applicable to each line in the group;

All Rate Groups \$1.30

Applicable to individual measured service subscribers in service prior to February 15, 1975. Not applicable for new installations or off-premises moves.

2. Includes 50 outgoing local calls, excess calls are charged at \$.06 each.

3. A computer trunk is a central office or centrex line connected to a time sharing computer, information retrieval system or other automated data and information system.

EXCHANGES

The Rate Group and Extended Service Area, if applicable, are shown below for each exchange. Free calling exists between the Exchange and the Extended Service Area.

<u>EXCHANGE</u>	<u>RATE GROUP</u>	<u>EXTENDED SERVICE AREA</u>	<u>EXCHANGE</u>	<u>RATE GROUP</u>	<u>EXTENDED SERVICE AREA</u>
Abbotsford	6	Aldergrove, Mission	Cloverdale	15	Langley, Newton, New Westminster, Richmond, Vancouver, Whalley, White Rock
Agassiz	3				
Ahousat	1				
Aldergrove	6	Abbotsford, Langley			
Alert Bay	3	Beaver Cove, Port McNeill, Sointula	Cobble Hill	5	Duncan
			Comox	5	Courtenay, Cumberland, Oyster Bay, Union Bay
Alexis Creek	2				
Alta Lake	2		Cortez Island	2	
Ashcroft	3	Cache Creek	Courtenay	5	Comox, Cumberland, Oyster Bay, Union Bay
Aspen Park	6	Dallas, North Kamloops, South Kamloops, Westsyde			
			Cranbrook	4	
Atlin	2		Crawford Bay	2	
Avola	2		Creston	3	
			Cumberland	6	Comox, Courtenay, Oyster Bay, Union Bay
Balfour	2				
Bamfield	2		Dallas	7	Aspen Park, North Kamloops, South Kamloops, Westsyde
Barriere	2				
Bear Lake	2				
Beaver Cove	4	Alert Bay, Port McNeill, Sointula	Dawson Creek	4	Pouce Coupe, Rolla, Willowbrook
Beaverdell	2		Decker Lake	4	Burns Lake, Francois Lake
Bella Bella	2				
Bella Coola	2	Hagensborg	Donald	2	
Black Point	5	Powell River, Vananda, Westview	Dragon Lake	4	Bouchie Lake, Kersley, Quesnel
Blue River	2		Duncan	5	Chemainus, Cobble Hill
Boston Bar	2		Duncan Lake	2	
Boswell	2		Dunster	2	
Bouchie Lake	5	Dragon Lake, Kersley, Quesnel			
			East Pine	2	
Bowen Island	2		Elkford	2	
Bowser	6	Nanoose, Parksville, Qualicum	Elko	5	Fernie
Brackendale	3	Squamish	Fairmont	5	Invermere, Radium
Bridge Lake	2		Falkland	2	Westwold
Britannia Beach	2		Fauquier	2	
Burns Lake	3	Decker Lake, Francois Lake	Fernie	3	Elko
			Field	2	
			Flatrock	2	
Cache Creek	3	Ashcroft	Forest Grove	5	100 Mile House
Campbell River	4	Quadra Island, Willow Point	Fort Fraser	2	
			Fort St. James	2	
Canal Flats	2		Fort St. John	4	Montney, Taylor
Castlegar	4	Thrums	Francois Lake	4	Burns Lake, Decker Lake
Celista	5	Chase, Pritchard, Sorrento			
			Fraser Lake	2	
Chase	5	Celista, Pritchard, Sorrento	Fruitvale	5	Genelle, Trail
			Fulford Harbour	4	Ganges
Chemainus	6	Duncan, Ladysmith			
Chetwynd	2		Gabriola Island	6	Lantzville, Nanaimo, Wellington
Chief Lake	2				
Chilako	2		Ganges	3	Fulford Harbour
Chilliwack	5	Rosedale, Sardis, Yarrow	Genelle	6	Fruitvale, Rossland, Trail
Christina Lake	2				
Clearwater	2		Gibsons	5	Port Mellon, Sechelt
Clinton	2				

EXCHANGES (Continued)

<u>EXCHANGE</u>	<u>RATE GROUP</u>	<u>EXTENDED SERVICE AREA</u>	<u>EXCHANGE</u>	<u>RATE GROUP</u>	<u>EXTENDED SERVICE AREA</u>
Giscome	2		Lasqueti Island	2	
Gold Bridge	1		Likely	2	
Golden	3		Lillooet	2	
Gold River	2		Little Fort	2	
Grand Forks	3		Logan Lake	2	Highland Valley
Granisle	2		Lytton	2	
Grasmere	2		McBride	2	
Grassy Plains	2		McLeese Lake	2	
Greenwood	2	Midway	McLeod Lake	2	
Gulf Islands	3	Pender Islands	Mackenzie	3	
Hagensborg	2	Bella Coola	Manning Park	2	
Haney	5	Pitt Meadows, Whonnock	Masset	2	
Hansard	2		Merritt	3	
Hartway	6	Pineview, Prince George, Vanway	Midway	3	Greenwood
Hazelton	2		Miocene	2	
Hedley	2		Mission	6	Abbotsford, Whonnock
Hendrix Lake	2		Montney	6	Fort St. John, Taylor
Highland Valley	3	Logan Lake	Moyie	2	
Hixon	2		Nakusp	2	
Holberg	2		Nanaimo	6	Gabriola Island, Ladysmith, Lantzville, Wellington
Hope	3	Yale			
Horsefly	2		Nanoose	5	Bowser, Parksville, Qualicum
Houston	2		Nelson	4	North Nelson
Hudson's Hope	2		New Denver	2	
Invermere	3	Fairmont, Radium	Newton	14	Cloverdale, Ladner, Langley, New Westminster, Richmond, Vancouver, Whalley, White Rock
Jaffray	2				
Jordan River	5	Sooke			
Kamloops (North)		See North Kamloops			
Kamloops (South)		See South Kamloops	New Westminster	11	Cloverdale, Ladner, Langley, Newton, North Vancouver, Port Coquitlam, Port Moody, Richmond, Vancouver, West Vancouver, Whalley, White Rock
Kaslo	2				
Kemano	2				
Keremeos	2				
Kersley	6	Bouchie Lake, Quesnel, Dragon Lake			
Kimberley	3				
Kitimat	3		North Kamloops	6	Aspen Park, Dallas, South Kamloops, Westsyde
Kitwanga	2				
Lac la Hache	2		North Nelson	5	Nelson
Ladner	13	Newton, New Westminster, Richmond, Vancouver, Whalley, White Rock	North Vancouver	11	New Westminster, Port Moody, Richmond, Vancouver, West Vancouver
Ladysmith	8	Chemainus, Lantzville, Nanaimo, Wellington			
Lake Cowichan	3	Youbou	Ocean Falls	2	Osoyoos
Langley	15	Aldergrove, Cloverdale, Newton, New Westminster, Richmond, Vancouver, Whalley, White Rock	Oliver	5	Forest Grove
			100 Mile House	4	Wildwood, Williams Lake
			150 Mile House	5	
			Osoyoos	5	Oliver
			Oyster Bay	7	Comox, Courtenay, Cumberland, Union Bay
Lantzville	7	Gabriola Island, Ladysmith, Nanaimo, Wellington			

EXCHANGES (Continued)

<u>EXCHANGE</u>	<u>RATE GROUP</u>	<u>EXTENDED SERVICE AREA</u>	<u>EXCHANGE</u>	<u>RATE GROUP</u>	<u>EXTENDED SERVICE AREA</u>
Parksville	4	Bowser, Nanoose, Qualicum	Riondel	2	
Parson	2		Rock Creek	2	
Pemberton	2		Rolla	6	Dawson Creek, Pouce Coupe, Willowbrook
Pender Harbour	2		Rosedale	6	Chilliwack, Sardis, Yarrow
Pender Islands	3	Gulf Islands	Rossland	5	Genelle, Trail
Pineview	6	Hartway, Prince George, Vanway	Saanich	10	Victoria
Pitt Meadows	5	Haney, Whonnock	Salmo	2	
Port Alberni	4		Salmon Valley	2	
Port Alice	2		Sandspit	3	Queen Charlotte
Port Clements	2		Sardis	6	Chilliwack, Rosedale, Yarrow
Port Coquitlam	14	New Westminster, Port Moody, Vancouver	Savona	2	
Port Edward	5	Prince Rupert	Sayward	2	
Port Hardy	3		Sechelt	5	Gibsons, Port Mellon
Port McNeill	3	Alert Bay, Beaver Cove, Sointula	70 Mile House	2	
Port Mellon	5	Gibsons, Sechelt	Shalalth	2	
Port Moody	12	New Westminster, North Vancouver, Port Coquitlam, Richmond, Vancouver, West Vancouver, Whalley	Skookumchuck	2	
			Slocan	2	
			Smithers	3	Telkwa
			Sointula	3	Alert Bay, Beaver Cove, Port McNeill
Port Renfrew	2		Sooke	11	Jordan River, Victoria
Port Simpson	2		Sorrento	5	Celista, Chase, Pritchard
Pouce Coupe	5	Dawson Creek, Rolla, Willowbrook	South Kamloops	5	Aspen Park, Dallas, North Kamloops, Westsyde
Powell River	4	Black Point, Vananda, Westview			Thrums, Vallican
Prince George	6	Hartway, Pineview, Vanway	South Slocan	3	
Princeton	3		Sparwood	3	
Pritchard	5	Celista, Chase, Sorrento	Spences Bridge	2	
			Spillimacheen	2	
			Squamish	3	Brackendale
			Stewart	2	
Quadra Island	4	Campbell River, Willow Point	Summit Lake	2	
Qualicum	5	Bowser, Nanoose, Parksville	Tahsis	2	
Queen Charlotte	2	Sandspit	Tasu	2	
Quesnel	4	Bouchie Lake, Dragon Lake, Kersley	Taylor	5	Fort St. John, Montney
			Telkwa	4	Smithers
			Terrace	4	
			Thrums	5	Castlegar, South Slocan, Vallican
Radium	4	Fairmont, Invermere	Tofino	4	Ucluelet
Red Rock	2		Topley	2	
Richmond	12	Cloverdale, Ladner, Langley, Newton, New Westminster, North Vancouver, Port Moody, Vancouver, West Vancouver, Whalley, White Rock	Trail	5	Fruitvale, Genelle, Rossland
			Tweedsmuir	2	

EXCHANGES (Continued)

<u>EXCHANGE</u>	<u>RATE GROUP</u>	<u>EXTENDED SERVICE AREA</u>	<u>EXCHANGE</u>	<u>RATE GROUP</u>	<u>EXTENDED SERVICE AREA</u>
Ucluelet	4	Tofino	West Vancouver	11	New Westminster, North Vancouver, Port Moody, Richmond, Vancouver
Union Bay	6	Comox, Courtenay, Cumberland, Oyster Bay	Westview	4	Black Point, Powell River, Vananda
Valemount	2		Westwold	2	Falkland
Vallican	4	South Slokan, Thrums	Whalley	13	Cloverdale, Ladner, Langley, Newton, New Westminster, Port Moody, Richmond, Vancouver, White Rock
Vananda	5	Black Point, Powell River, Westview			Cloverdale, Ladner, Langley, Newton, New Westminster, Richmond, Vancouver, Whalley
Vancouver	12	Cloverdale, Ladner, Langley, Newton, New Westminster, North Vancouver, Port Coquitlam, Port Moody, Richmond, West Vancouver, Whalley, White Rock	White Rock	15	Haney, Mission, Pitt Meadows
Vanderhoof	3		Whonnock	6	150 Mile House, Williams Lake
Vanway	6	Hartway, Pineview, Prince George	Wildwood	5	150 Mile House, Wildwood
Vavenby	2		Williams Lake	4	Dawson Creek, Pouce Coupe, Rolla
Victoria	8	Saanich, Sooke	Willowbrook	6	
Wellington	7	Gabriola Island, Ladysmith, Lantzville, Nanaimo	Willow Flats	2	
Wells	2		Willow Point	5	Campbell River, Quadra Island
Westsyde	6	Aspen Park, Dallas, North Kamloops, South Kamloops	Woodfibre	2	
			Yahk	2	
			Yale	5	Hope
			Yarrow	6	Chilliwack, Rosedale, Sardis
			Youbou	4	Lake Cowichan
			Zeballos	2	

LONG DISTANCE RATES

Rates for long distance calls carried throughout North America are based on the class of call, time of day, duration of call and the airline distance between the calling and called points. If these factors are common then the same rate always applies to calls between the same points, regardless of the direction of the call. However, in certain cases, special surcharges and/or government taxes apply to calls in one direction but not to those in the other direction. The actual physical routing of long distance calls has no bearing on the rate charged to the customer.

Five long distance rate schedules plus overseas rate schedules apply to calls handled from British Columbia Telephone Company exchanges:

1. The British Columbia rate schedule applies to calls between points within British Columbia, except for calls involving centres along the Alaska Highway north of Fort St. John in which case (3) below applies.
2. The British Columbia - Alberta schedule applies to calls between points in British Columbia and Alberta.
3. The Northwest rate schedule applies to calls between centres served by B. C. Telephone Company, Okanagan Telephone Company and Prince Rupert, and centres served by Canadian National Telecommunications in B. C., Yukon and the District of Mackenzie, Northwest Territories.
4. The Trans-Canada rate schedule (Trans-Canada Telephone System) applies to calls between British Columbia points and other Canadian centres situated east of Alberta.
5. The Canada - United States rate schedule (American Telephone and Telegraph Company's Long Lines 2 rate schedule) applies on calls to the continental United States.

B.C.Tel Long Distance Rates (Cont'd)

The Trans-Canada Telephone System which provides long distance message and other communications services coast to coast in Canada, is a combination of the eight principal telephone systems which furnish the bulk of the telephones operating in the ten provinces. Each telephone system assigns the facilities necessary to carry the nationwide messages through its particular territory.

* * *

Telephone calls destined to overseas countries are handled by circuits furnished by the Canadian Overseas Telecommunication Corporation, which interconnects with the Trans-Canada Telephone System at Vancouver and Montreal. In cases where COTC does not furnish service, certain countries may be reached via the American Telephone and Telegraph Company's connecting overseas carriers.

BRITISH COLUMBIA TELEPHONE COMPANY

CAPITALIZATION

DECEMBER 31, 1974

*(with amendments for changes authorized by
shareholders on March 13, 1975)*

The Company was incorporated by Special Act of Parliament of Canada: Special Act 6-7 George V (1916) Chapter 66 as amended by 4-5 George VI (1940-1941) Chapter 36, and by 11 George VI (1947) Chapter 86, and by 15 George VI (1951) Chapter 85, and by 6 Elizabeth II (1957-1958) Chapter 40, and by 8-9 Elizabeth II (1960) Chapter 66 and by 23 Elizabeth II (1974).

Authorized capital	\$1,250,000,000
	=====

Directors authorized by shareholders Annual Meeting March 13, 1975, to issue capital, subject to approval of Canadian Transport Commission, up to	\$ 750,000,000
	=====

Issued and outstanding:

Preference and Preferred shares	\$120,500,000	
Ordinary shares	<u>94,161,000</u>	\$ 214,661,000
		=====

BRITISH COLUMBIA TELEPHONE COMPANY

CAPITAL STRUCTURE

AS AT DECEMBER 31, 1974

(1) Ordinary shares (3,236,674 at \$25.00)	\$ 94,161,225	11.6%
Premium on Ordinary shares	<u>63,243,478</u>	<u>7.8</u>
	157,404,703	19.4
Earnings retained	<u>71,515,916</u>	<u>8.8</u>
	228,920,619	28.2
Preference and Preferred shares	120,500,000	14.8
Minority interest in subsidiary	<u>455,820</u>	<u>-</u>
Total Share Capital	349,876,439	43.0
Long term debt	<u>463,314,375</u>	<u>57.0</u>
TOTAL CAPITAL	<u>\$813,190,814</u>	<u>100.0%</u>
	=====	=====

(1) Effective April 1, 1975 each ordinary share with a par value of \$25 each was subdivided into five ordinary shares with a par value of \$5 each.

BRITISH COLUMBIA TELEPHONE COMPANY

FIRST MORTGAGE BONDS AND CAPITAL STOCK OUTSTANDING - DECEMBER 31, 1974

FIRST MORTGAGE BONDS

Interest	Series	D u e	Amount
4 3/4%	E	Oct. 1, 1975	\$ 7,000,000
5 %	F	Apr. 1, 1982	25,000,000
5 1/4%	G	Nov. 1, 1983	20,000,000
6 %	H	Sep. 15, 1984	15,000,000
5 3/4%	I	Aug. 1, 1985	15,000,000
5 3/4%	J	Jul. 15, 1986	20,000,000
5 5/8%	K	Apr. 15, 1988	20,000,000
6 3/4%	L	Oct. 15, 1989	30,000,000
6 3/8%	M	Mar. 15, 1991	30,000,000
9 1/8%	N	Apr. 1, 1990	30,000,000
9 5/8%	O	Nov. 15, 1992	18,000,000
9 1/8%	P	Nov. 15, 1992	12,000,000
8 1/4%	Q	Mar. 1, 1994	35,000,000
7 1/2%	R	Nov. 15, 1978	10,000,000
7 7/8%	S	Nov. 15, 1995	25,000,000
8 5/8%	T	Oct. 15, 1993	40,000,000
8 1/8%	U	Nov. 1, 1996	19,809,378
9 %	V	Oct. 1, 1997	40,000,000
8 3/4%	W	Jan. 15, 1981	11,000,000
9 1/4%	X	Apr. 15, 1998	35,000,000

\$457,809,375

Okanagan Telephone Company

General Mortgage Sinking Fund

Bonds due 1975 to 1986 at

interest rates of 5% to 6 1/2% 5,505,000

\$463,314,375

* \$20 million U.S. Funds

- (1) With right of prepayment at holder's option:
April 1, 1975.
- (2) With right of prepayment at holder's option:
November 15, 1976.

CAPITAL STOCK

Interest	Par Value Each	No. Shares	Amount
<i>Preference and Preferred Shares</i>			
<i>Cumulative Preference Shares</i>			
6 %	\$100	10,000	\$ 1,000,000
6 %	\$100	45,000	4,500,000
<i>Cumulative Redeemable Preferred Shares</i>			
4 3/4%	\$100	75,000	7,500,000
* 4 3/4%	\$100	75,000	7,500,000
4 1/2%	\$100	50,000	5,000,000
4 3/8%	\$100	60,000	6,000,000
5 3/4%	\$100	100,000	10,000,000
5.15 %	\$100	120,000	12,000,000
4.84 %	\$ 25	800,000	20,000,000
6.80 %	\$ 25	400,000	10,000,000
7.04 %	\$ 25	800,000	20,000,000
8 3/4%	\$ 25	680,000	17,000,000
			<u>\$120,500,000</u>

Ordinary Shares Outstanding

\$ 25	3,766,449	94,161,225
-------	-----------	------------

* Series 1956

\$214,661,225

S U M M A R Y

First Mortgage Bonds	\$463,314,375
Capital Stock	120,500,000
Ordinary Shares	94,161,225
Grand Total	<u>\$677,975,600</u>

BRITISH COLUMBIA TELEPHONE COMPANY

FIRST MORTGAGE BONDS

SUMMARY OF MATURITIES

<u>Series</u>	<u>Interest R a t e</u>	<u>Maturity Date</u>	<u>A m o u n t</u>	<u>Annual Interest</u>
E	4 3/4%	October 1, 1975	\$ 7,000,000	\$ 332,500
F	5 %	April 1, 1982	25,000,000	1,250,000
G	5 1/4%	November 1, 1983	20,000,000	1,050,000
H	6 %	September 15, 1984	15,000,000	900,000
I	5 3/4%	August 1, 1985	15,000,000	862,500
J	5 3/4%	July 15, 1986	20,000,000	1,150,000
K	5 5/8%	April 15, 1988	20,000,000	1,125,000
L	6 3/4%	October 15, 1989	30,000,000	2,025,000
M	6 3/8%	March 15, 1991	30,000,000	1,912,500
N	9 1/8%	April 1, 1990	30,000,000	2,737,500
O	9 5/8%	November 15, 1992	18,000,000	1,732,500
P	9 1/8%	November 15, 1992	12,000,000	1,095,000
Q	8 1/4%	March 1, 1994	35,000,000	2,887,500
R	7 1/2%	November 15, 1978	10,000,000	750,000
S	7 7/8%	November 15, 1995	25,000,000	1,968,750
T	8 5/8%	October 15, 1993	40,000,000	3,450,000
U (1)	8 1/8%	November 1, 1996	19,809,375	1,609,512
V	9 %	October 1, 1997	40,000,000	3,600,000
W	8 3/4%	January 15, 1981	11,000,000	962,500
X	9 1/4%	April 15, 1998	35,000,000	3,237,500
Average	7.57 %		\$457,809,375	\$34,638,262
Okanagan Telephone Company B-H incl. 5% - 6 1/2%			5,505,000	333,055
Average	<u>7.55%</u>		<u>\$463,314,375</u> =====	<u>\$34,971,317</u> =====

(1) \$20,000,000 issue
in U. S. Funds.

December 31, 1974

BRITISH COLUMBIA TELEPHONE COMPANY

ORDINARY SHARE ISSUES

<u>Date of Issue</u>	<u>Par Value</u>	<u>"Rights"</u>	<u>Number Issued</u>	<u>Issue Price</u>	<u>(1) Proceeds</u>	<u>Total Shares Outstanding</u>
May, 1927	\$100					45,000
Jun. 1948	100	1 for 3	15,000	\$125.00	\$ 1,875,000	60,000
Nov. 1950	100	Underwriters	20,000	132.50	2,650,000	80,000
Apr. 1951	100	1 for 2	40,000	132.50	5,300,000	120,000
Jul. 1951	Par value changed from \$100 to \$25. Shares exchanged 4 for 1					480,000
Apr. 1953	25	1 for 3	160,000	29.00	4,640,000	640,000
Apr. 1954	25	1 for 4	160,000	31.50	5,040,000	800,000
Jan. 1956	25	1 for 4	200,000	40.50	8,100,000	1,000,000
Sept. 1956	25	1 for 5	200,000	38.00	7,609,604	1,200,000
Jan. 1959	25	1 for 4	300,000	34.00	10,214,679	1,500,000
Aug. 1960	25	(2)	144,000	40.62	5,850,000	1,644,000
Mar. 1961	25	1 for 6	274,000	38.00	10,421,765	1,918,000
Aug. 1962	25	1 for 5	383,600	38.00	14,587,936	2,301,600
Sept. 1965	25	1 for 8	287,700	57.00	16,415,156	2,589,300
Feb. 1969	25	1 for 9	287,700	60.00	17,269,109	2,877,000
Sept. 1971	25	1 for 8	359,625	56.00	20,148,136	3,236,625
Aug. 1973	25	(3)	49	61.09	2,993	3,236,674
Oct. 1974	25	1 for 6	529,775	43.00	22,780,325	3,766,449

- (1) In some cases the proceeds are greater than the issue price times the number of shares issued. This is the result of selling the few shares not taken up by "rights" at a higher price.
- (2) Issued in exchange for all of the outstanding ordinary shares of North-west Telephone Company.
- (3) First subscription to Employee Share Purchase Plan.

BRITISH COLUMBIA TELEPHONE COMPANY

ORDINARY SHARES - MARKET PRICE

Shares listed for trading:

Vancouver Stock Exchange	November 19, 1951
Montreal Stock Exchange	November 20, 1951
Toronto Stock Exchange	August 9, 1954

Y e a r	High	Low	Close
1 9 5 1	34-1/4	33-1/8	
1 9 5 2	35	32	33-1/2
1 9 5 3	36-1/2	32-1/2	35-7/8
1 9 5 4	45	35-1/4	44-1/2
1 9 5 5	50-1/8	43-1/2	50
1 9 5 6	52	43	46
1 9 5 7	47	37-1/4	38-1/8
1 9 5 8	44-3/8	39-3/4	43
1 9 5 9	47-3/8	39-1/2	42-1/2
1 9 6 0	47-1/8	42	47-1/8
1 9 6 1	52-1/2	45	50-7/8
1 9 6 2	56-3/8	45	51
1 9 6 3	57-3/4	52	57-1/2
1 9 6 4	68	54-1/2	66
1 9 6 5	72	63-1/2	66-1/2
1 9 6 6	77-1/4	53	62-1/2
1 9 6 7	69-7/8	53-1/8	53-1/8
1 9 6 8	71	52-1/2	69
1 9 6 9	75	62-1/4	72
1 9 7 0	72	55	64
1 9 7 1	69-1/2	57-3/8	65
1 9 7 2	67-1/2	54	56-1/2
1 9 7 3	58-1/2	47-1/2	49
1 9 7 4	57-1/2	44-5/8	47

December 31, 1974

BRITISH COLUMBIA TELEPHONE COMPANY

ORDINARY SHARE EARNINGS

<u>Year</u>	(2) Earnings Available for Ordinary Shares	(1) Average Number of Ordinary Shares Outstanding	(2) Earnings per Average Ordinary Share
1950	\$ 479,137	260,000	\$ 1.84
1951	844,108	440,000	1.92
1952	1,027,794	480,000	2.14
1953	1,818,463	600,000	3.03
1954	2,169,309	760,000	2.85
1955	2,627,068	800,000	3.28
1956	3,345,814	1,050,000	3.27
1957	3,145,108	1,200,000	2.62
1958	2,068,071	1,200,000	1.72
1959	4,567,300	1,500,000	3.04
1960	4,578,147	1,572,000	2.91
1961	5,937,903	1,849,500	3.21
1962	6,628,186	2,013,900	3.29
1963	7,609,738	2,301,600	3.31
1964	8,455,655	2,301,600	3.67
1965	9,880,115	2,373,525	4.16
1966	11,144,318	2,589,300	4.30
1967	11,617,610	2,589,300	4.49
(3) 1968	12,613,750	2,589,300	4.87
1969	14,464,479	2,805,075	5.16
1970	14,418,485	2,877,000	5.01
1971	15,818,315	2,966,906	5.33
1972	19,761,668	3,236,625	6.11
1973	18,767,409	3,236,645	5.80
1974	18,755,896	3,369,108	5.57

(1) Year 1950 adjusted for stock split for 4 for 1 in 1951.

(2) The Earnings of Okanagan Telephone Company have been included commencing 1967, and of Canadian Telephones and Supplies commencing the effective date of acquisition - June 1, 1973.

(3) Earnings for the years 1968 - 1971 have been restated to reflect the change in accounting for accrued vacation pay of employees.

BRITISH COLUMBIA TELEPHONE COMPANY

ORDINARY SHARE DIVIDENDS DECLARED

<u>Y e a r</u>	(1) Ordinary Dividend <u>Per Share</u>	Total Ordinary <u>Dividends</u>
1950	\$ 2.00	\$ 520,000
1951	2.00	880,000
1952	2.00	960,000
1953	2.00	1,200,000
1954	2.00	1,520,000
1955	2.00	1,600,000
1956	2.00	2,100,000
1957	2.00	2,400,000
1958	2.00	2,400,000
1959	2.05	3,075,000
1960	2.20	3,458,400
1961	2.20	4,068,900
1962	2.20	4,430,580
1963	2.30	5,293,680
1964	2.40	5,523,840
1965	2.40	5,696,460
1966	2.40	6,214,320
1967	2.55	6,602,715
1968	2.70	6,991,110
1969	3.00	8,415,225
1970	3.05	8,774,850
1971	3.20	9,494,100
1972	3.20	10,357,200
1973	3.20	10,357,278
1974	4.20	14,150,295

(1) Year 1950 adjusted for stock split of 4 for 1 in 1951.

BRITISH COLUMBIA TELEPHONE COMPANY

GROSS REVENUES
(Uncollectible deducted from Miscellaneous)

<u>Year</u>	<u>Local Service</u>	<u>Toll Service</u>	<u>Miscellaneous</u>	<u>T o t a l</u>
1950	\$ 10,735,641	\$ 4,566,039	\$ 705,398	\$ 16,007,078
1951	13,137,842	5,672,370	743,092	19,553,304
1952	15,270,490	6,597,826	805,737	22,674,053
1953	18,034,945	7,726,253	983,016	26,744,214
1954	19,598,472	8,854,805	1,138,829	29,592,106
1955	21,249,905	10,363,764	1,371,695	32,985,364
1956	23,505,410	12,009,504	1,653,043	37,167,957
1957	25,789,123	13,560,965	1,973,241	41,323,329
1958	28,098,477	14,678,462	2,099,654	44,876,593
1959	35,152,890	17,322,785	2,391,507	54,867,182
1960	37,217,693	18,970,192	2,654,829	58,842,714
1961	40,826,116	23,685,017	2,860,909	67,372,042
(1) 1962	43,578,500	26,524,167	1,532,540	71,635,207
1963	45,821,729	29,674,041	1,895,759	77,391,529
1964	49,291,594	35,987,120	2,195,918	87,474,632
1965	53,906,008	43,561,067	2,233,438	99,700,513
1966	59,278,966	50,746,437	2,501,360	112,526,763
(2) 1967	67,410,124	56,552,044	2,865,748	126,827,916
1968	72,640,898	63,391,164	3,357,287	139,389,349
1969	78,362,989	74,968,593	4,712,199	158,043,781
1970	85,447,867	84,906,382	4,516,042	174,870,291
1971	93,444,149	100,044,418	6,403,491	199,892,058
1972	106,289,369	114,741,633	6,733,670	227,764,672
1973	117,468,834	132,659,152	8,799,433	258,927,419
1974	129,197,057	163,256,182	10,419,784	302,873,023

(1) Commencing in 1962 the cost of publishing the directory is offset against the advertising revenues generated by the directory.

(2) The Earnings of Okanagan Telephone Company have been included commencing in 1967, and of Canadian Telephones and Supplies commencing the effective date of acquisition - June 1, 1973.

BRITISH COLUMBIA TELEPHONE COMPANY

REVENUE SOURCE BY PERCENTAGE

<u>Year</u>	<u>Local Service %</u>	<u>Toll Service %</u>	<u>Miscel- laneous %</u>	<u>Total %</u>	<u>Regulated %</u>	<u>Non- Regulated %</u>
1950	65	31	4	100	95	5
1951	67	29	4	100	95	5
1952	67	29	4	100	95	5
1953	67	29	4	100	95	5
1954	66	30	4	100	94	6
1955	65	31	4	100	94	6
1956	63	32	5	100	93	7
1957	62	33	5	100	92	8
1958	63	32	5	100	91	9
1959	64	32	4	100	92	8
1960	63	32	5	100	91	9
1961	61	35	4	100	90	10
1962	61	37	2	100	90	10
1963	59	38	3	100	88	12
1964	56	41	3	100	88	12
1965	54	44	2	100	88	12
1966,	53	45	2	100	88	12
1967	53	45	2	100	88	12
1968	52	46	2	100	88	12
1969	50	47	3	100	88	12
(1) 1970	49	48	3	100	90	10
1971	47	50	3	100	94	6
1972	47	50	3	100	94	6
1973	45	51	4	100	94	6
1974	43	54	3	100	94	6

(1) Effective August 1, 1970, an amendment to the Railway Act extended the regulatory jurisdiction of the Canadian Transport Commission to include all communications services provided by the Company.

BRITISH COLUMBIA TELEPHONE COMPANY

TOTAL OPERATING EXPENSES

<u>Year</u>	<u>Operating</u>	<u>Depreciation</u>	<u>Taxes</u>	<u>T o t a l</u>
1950	\$ 10,550,051	\$ 2,103,690	\$ 1,183,882	\$ 13,837,623
1951	12,418,897	2,402,741	2,081,125	16,902,763
1952	14,488,676	2,698,423	2,458,645	19,645,744
1953	16,495,824	3,106,390	3,133,741	22,735,955
1954	17,966,704	3,680,530	3,480,986	25,128,220
1955	18,964,703	4,240,371	4,415,029	27,620,103
1956	20,899,259	4,924,403	4,952,409	30,776,071
1957	24,130,377	5,690,918	4,717,924	34,539,219
1958	26,718,975	7,099,564	4,150,627	37,969,166
1959	27,598,491	8,678,074	7,511,759	43,788,324
1960	27,915,978	9,669,597	8,646,520	46,232,095
1961	29,739,149	11,633,769	10,595,041	51,967,959
(1) 1962	31,930,849	13,926,474	11,007,277	56,864,600
1963	31,296,856	15,648,843	12,626,051	59,571,750
1964	35,715,544	18,534,784	13,499,062	67,749,390
1965	40,593,517	21,345,168	15,731,012	77,669,697
1966	48,559,759	22,944,866	17,295,826	88,800,451
(2) 1967	54,412,416	26,450,184	18,352,306	99,214,806
(3) 1968	59,165,615	28,831,934	21,576,845	109,574,394
1969	68,630,326	32,719,544	24,225,316	125,575,186
1970	81,579,708	34,338,351	23,967,321	139,885,380
1971	95,808,595	38,454,431	24,555,914	158,818,940
1972	108,007,496	43,326,864	28,970,862	180,305,222
1973	124,209,442	49,380,371	33,608,167	207,197,980
1974	150,151,485	56,094,027	36,884,841	243,130,353

(1) Commencing in 1962 the cost of publishing the directories is offset against the advertising revenues generated by the directories.

(2) The Expenses of Okanagan Telephone Company have been included commencing in 1967, and of Canadian Telephones and Supplies commencing the effective date of acquisition - June 1, 1973.

(3) Operating Expenses and Taxes for the years 1968 - 1971 have been restated to reflect the change in accounting for accrued vacation pay of employees.

BRITISH COLUMBIA TELEPHONE COMPANY

ANALYSIS OF TAXES

Year	(1) Provincial, Municipal & Other	T a x e s o n I n c o m e			Total Taxes
		Federal	Provincial Share	Total	
1950	\$ 368,399	\$ 815,483	\$ -	\$ 815,483	\$ 1,183,882
1951	418,089	1,663,036	-	1,663,036	2,081,125
1952	480,272	1,978,373	-	1,978,373	2,458,645
1953	587,445	2,546,296	-	2,546,296	3,133,741
1954	721,081	2,759,905	-	2,759,905	3,480,986
1955	779,669	3,635,360	-	3,635,360	4,415,029
1956	823,288	4,129,121	-	4,129,121	4,952,409
1957	1,084,871	3,633,053	-	3,633,053	4,717,924
1958	1,292,851	2,857,776	-	2,857,776	4,150,627
1959	1,492,625	6,019,134	-	6,019,134	7,511,759
1960	1,988,057	6,658,463	-	6,658,463	8,646,520
1961	2,326,740	8,268,301	-	8,268,301	10,595,041
1962	2,324,557	8,682,720	-	8,682,720	11,007,277
1963	2,568,140	8,245,660	1,601,250	10,057,911	12,626,051
1964	2,834,955	8,742,741	1,921,366	10,664,107	13,499,062
1965	3,217,764	10,261,079	2,252,169	12,513,248	15,731,012
1966	3,934,403	10,956,367	2,405,056	13,361,423	17,295,826
(2) 1967	4,862,896	10,791,528	2,697,882	13,489,410	18,352,306
(3) 1968	5,595,590	12,872,661	3,108,594	15,981,255	21,576,845
1969	6,297,607	14,440,501	3,487,208	17,927,709	24,225,316
1970	6,995,909	13,670,218	3,301,194	16,971,412	23,967,321
1971	7,683,781	13,431,703	3,440,430	16,872,133	24,555,914
1972	8,848,794	15,794,741	4,327,326	20,122,067	28,970,861
1973	10,512,479	17,661,411	5,434,277	23,095,688	33,608,167
1974	13,669,028	16,345,790	6,870,023	23,215,813	36,884,841

(1) Unemployment Insurance and Canada Pension Plan.

(2) The taxes of Okanagan Telephone Company have been included commencing in 1967.

(3) Taxes on Income for the years 1968 - 1971 have been restated to reflect the change in accounting for accrued vacation pay of employees.

BRITISH COLUMBIA TELEPHONE COMPANY

DISPOSITION OF EARNINGS AVAILABLE FOR FIXED CHARGES

Year	Earnings Available for Fixed Charges	Fixed Charges	Earnings Available for Dividends	Dividends on Preference and Preferred Shares	Earnings Available for Ordinary Shares	Dividends on Ordinary Shares	Transferred to Retained Earnings
1950	\$ 2,276,125	\$ 1,285,106	\$ 991,019	\$ 511,882	\$ 479,137	\$ 520,000	\$ (40,863)
1951	2,794,290	1,282,472	1,511,818	667,711	844,107	880,000	(35,893)
1952	3,187,771	1,473,727	1,714,044	686,250	1,027,794	960,000	67,794
1953	4,261,785	1,719,728	2,542,057	723,594	1,818,463	1,200,000	618,463
1954	4,898,531	1,986,722	2,911,809	742,500	2,169,309	1,520,000	649,309
1955	5,714,722	1,979,528	3,735,194	1,108,125	2,627,069	1,600,000	1,027,069
1956	6,776,042	1,973,509	4,802,533	1,366,718	3,435,815	2,100,000	1,335,815
1957	7,639,690	2,916,665	4,723,025	1,577,917	3,145,108	2,400,000	745,108
1958	8,081,577	3,908,506	4,173,071	2,105,000	2,068,071	2,400,000	(331,929)
1959	11,644,046	4,971,746	6,672,300	2,105,000	4,567,300	3,075,000	1,492,300
1960	13,167,637	5,921,990	7,245,647	2,667,500	4,578,147	3,458,400	1,119,747
1961	15,781,068	6,988,165	8,792,903	2,855,000	5,937,903	4,068,900	1,869,003
1962	16,865,287	7,382,101	9,483,186	2,855,000	6,628,186	4,430,580	2,197,606
1963	18,250,436	7,322,198	10,928,238	3,318,500	7,609,738	5,293,680	2,316,058
1964	19,954,964	8,026,309	11,928,655	3,473,000	8,455,655	5,523,840	2,931,815
1965	22,135,487	8,431,372	13,704,115	3,824,000	9,880,115	5,696,460	4,183,655
1966	24,185,026	9,349,708	14,835,318	3,691,000	11,144,318	6,244,320	4,929,998
(1) 1967	28,534,854	13,200,820	15,334,034	3,716,424	11,617,610	6,602,715	5,014,895
(2) 1968	30,767,089	13,974,764	16,792,317	4,178,567	12,673,750	6,991,110	5,622,640
1969	33,595,397	14,739,487	18,855,910	4,391,431	14,464,479	8,415,225	6,049,254
1970	36,497,271	17,687,659	18,809,612	4,391,127	14,418,485	8,774,850	5,643,635
1971	42,496,580	22,287,778	20,208,802	4,390,487	15,818,315	9,494,100	6,324,215
1972	49,615,312	24,755,941	24,859,371	5,097,703	19,761,668	10,357,200	9,404,468
1973	54,420,669	29,854,920	24,565,749	5,798,340	18,767,409	10,357,278	8,410,131
1974	64,301,376	39,341,360	24,960,016	6,204,120	18,755,896	14,150,295	4,605,601

(1) The Earnings of Okanagan Telephone Company have been included commencing in 1967, and of Canadian Telephones and Supplies commencing the effective date of acquisition - June 1, 1973.

(2) Earnings for the years 1968 - 1971 have been restated to reflect the change in accounting for accrued vacation pay of employees.

BRITISH COLUMBIA TELEPHONE COMPANY

RATE OF RETURN ON AVERAGE INVESTED CAPITAL

<u>Year</u>	<u>(1) Average Invested Capital</u>	<u>Earnings Available For Fixed Charges</u>	<u>Rate of Return on Average Invested Capital</u>
1950	\$ 48,733,295	\$ 2,276,126	4.67%
1951	55,561,494	2,794,290	5.03
1952	64,064,560	3,187,771	4.98
1953	72,728,599	4,261,785	5.86
1954	84,425,631	4,898,531	5.80
1955	94,019,152	5,714,722	6.08
1956	109,157,402	6,776,042	6.21
1957	139,365,821	7,639,690	5.48
1958	168,319,561	8,081,577	4.80
1959	196,259,172	11,644,046	5.93
1960	225,828,354	13,167,637	5.83
1961	259,230,493	15,781,068	6.09
1962	275,191,889	16,865,287	6.13
1963	294,672,539	18,250,436	6.19
1964	313,217,149	19,954,964	6.37
1965	333,938,536	22,135,487	6.63
1966	365,735,694	24,185,026	6.61
(2) 1967	430,218,641	28,534,854	6.63
(3) 1968	450,985,656	30,767,081	6.82
1969	478,444,009	33,595,397	7.02
1970	522,045,729	36,497,271	6.99
1971	577,455,458	42,496,580	7.36
1972	634,417,005	49,615,312	7.82
(2) 1973	704,182,215	54,420,669	7.73
1974	816,802,000	64,301,376	7.87

(1) Average invested capital includes capital stock, premium, retained earnings, long term debt and demand loans. The average is computed as the average of 12 monthly averages, using beginning and end of month figures.

(2) The Earnings of Okanagan Telephone Company have been included commencing in 1967, and of Canadian Telephones and Supplies commencing the effective date of acquisition - June 1, 1973.

(3) Rate of Return for the years 1968 - 1971 have been restated to reflect the change in accounting for accrued vacation pay of employees.

BRITISH COLUMBIA TELEPHONE COMPANY

GROSS ADDITIONS TO PLANT

<u>Y e a r</u>	<u>Gross Additions to Plant</u>
1950	\$ 7,368,139
1951	9,391,493
1952	11,349,578
1953	15,550,398
1954	18,996,082
1955	21,254,856
1956	27,693,592
1957	40,818,023
1958	51,748,654
1959	40,947,467
1960	35,631,704
1961	30,801,282
1962	37,545,012
1963	35,891,660
1964	39,272,387
1965	47,983,765
1966	60,681,708
(1) 1967	68,430,995
1968	70,802,171
1969	74,666,431
1970	95,111,177
1971	113,106,126
1972	132,405,478
(2) 1973	165,272,455
1974	201,484,000

(1) The Gross Additions of Okanagan Telephone Company have been included commencing in 1967.

(2) The Gross Additions of Canadian Telephones and Supplies have been included, commencing June 1, 1973.

BRITISH COLUMBIA TELEPHONE COMPANY

GROSS TELEPHONE PLANT

<u>December 31</u>	<u>Gross Telephone Plant</u>
1950	\$ 61,290,387
1951	68,562,792
1952	77,452,395
1953	89,717,329
1954	104,494,433
1955	120,330,786
1956	141,657,107
1957	176,758,724
1958	217,951,682
1959	243,690,783
1960	265,129,882
1961	308,366,305
1962	335,865,487
1963	362,955,276
1964	393,360,679
1965	429,966,904
1966	480,762,018
(1) 1967	559,922,422
(2) 1968	619,528,106
1969	682,394,453
1970	760,338,402
1971	854,645,308
1972	961,490,386
(1) 1973	1,105,166,498
1974	1,277,588,000

(1) The Gross Telephone Plant of Okanagan Telephone Company has been included commencing in 1967, and of Canadian Telephones and Supplies, commencing June 1, 1973.

(2) Gross Telephone Plant in the years 1968 - 1971 has been restated to reflect the capitalized portion of accrued vacation pay of employees, resulting from a change in accounting policy.

BRITISH COLUMBIA TELEPHONE COMPANY

GROSS INVESTMENT PER TELEPHONE
(Year-end)

<u>Year</u>	<u>Gross Investment per Telephone (Year-end)</u>
1950	\$ 249
1951	260
1952	272
1953	289
1954	304
1955	324
1956	344
1957	391
1958	453
1959	482
1960	507
1961	543
1962	565
1963	581
1964	595
1965	606
1966	632
(1) 1967	654
(2) 1968	678
1969	700
1970	733
1971	777
1972	815
(1) 1973	862
1974	924

(1) The Gross Investment and telephones of Okanagan Telephone Company have been included commencing in 1967, and of Canadian Telephones and Supplies commencing the effective date of acquisition - June 1, 1973.

(2) The Gross Investment in the years 1968 - 1971 has been restated to reflect the capitalized portion of accrued vacation pay of employees, resulting from a change in accounting policy.

BRITISH COLUMBIA TELEPHONE COMPANY

EMPLOYEE SUMMARY
(Not including Subsidiary Companies)

<u>Year</u>	<u>Number of Employees at December 31</u>	<u>Total Annual Payroll</u>	<u>Average Annual Payroll Per Employee</u>
1950	4,526	\$ 9,149,857	\$ 2,127
1951	4,990	11,145,013	2,342
1952	5,424	13,121,789	2,520
1953	5,861	14,956,712	2,651
1954	5,845	16,261,907	2,778
1955	5,645	16,762,405	2,918
1956	6,080	18,369,471	3,133
1957	7,130	21,525,011	3,259
1958	6,878	24,742,215	3,533
1959	6,205	25,219,406	3,855
1960	5,646	24,842,661	4,192
1961	5,511	25,828,367	4,630
1962	5,330	27,011,666	4,983
1963	5,423	27,875,720	5,184
1964	5,696	30,785,133	5,537
1965	6,337	35,568,260	5,911
1966	7,243	42,004,499	6,186
1967	7,182	46,152,298	6,398
1968	7,559	50,960,249	6,914
1969	8,405	57,773,505	7,238
1970	9,146	70,705,263	8,057
1971	9,753	84,498,708	8,942
1972	10,258	98,045,495	9,799
1973	11,632	114,903,260	9,878
1974	12,315	139,427,374	11,322

BRITISH COLUMBIA TELEPHONE COMPANY

1974 EMPLOYEE SUMMARY - BY DIVISION
Number of Employees and Payroll

<u>D i v i s i o n</u>	<u>December 31</u> <u>1 9 7 4</u>	<u>Payroll</u> <u>1 9 7 4</u>
<u>Coastal Area</u>	<u>5,648</u>	\$ 60,995,449
Coastal Area Traffic	1,730	13,011,540
Coastal Area Customer Service (including Exchange Operations, Installation Operations, Service Centres, Plant & Commercial)	2,703	32,578,695
Coastal Area Toll & Special Services	305	4,178,952
Coastal Area Construction	463	5,777,102
Coastal Area Outside Plant, Engineering, Administration and Operations	447	5,449,160
<u>Island Division</u>	<u>1,645</u>	\$ 18,920,007
Division Traffic	474	3,652,977
Division Customer Service (including Customer Service Plant)	536	6,675,152
Division Plant and Construction	456	6,311,395
Division Engineering, Administration and Public Affairs	179	2,280,483
<u>Interior Division</u>	<u>1,213</u>	\$ 14,037,789
Division Traffic	327	2,622,762
Division Customer Service	343	4,398,241
Division Plant and Construction	363	4,978,768
Administration, Engineering, Public Affairs and Program Centre	180	2,038,018
<u>Northern Division</u>	<u>1,106</u>	11,919,761
(Prince George District)	463	4,689,163
(Terrace District) <u>Note 1</u>	232	2,489,618
(Peace River District)	174	1,830,168
Administration, Engineering, Construction, Public Affairs and Vehicle	237	2,910,812
Staff Departments <u>Note 2</u>	<u>2,703</u>	<u>33,554,368</u>
<u>TOTAL COMPANY</u>	<u>12,315</u> =====	<u>\$139,427,374</u> =====

Note 1: Administration for these Districts is included in
Northern Division Administration.

Note 2: Includes Supply, Transportation and Buildings Operations,
and Central Order Processing Section.

BRITISH COLUMBIA TELEPHONE COMPANY

SERVICE AREA

The British Columbia Telephone Company provides telephone and other communication services to almost the entire province of British Columbia.

The exceptions are a portion of the Okanagan Valley (1) in the south-central Interior, the City of Prince Rupert, and some locations along the Alaska Highway.

The Company serves approximately 96 per cent of the area of the province and about 94 per cent of the province's population. It operates almost 94 per cent of all telephones in British Columbia.

(1) In December, 1966, B. C. Telephone Company acquired a majority interest in the Okanagan Telephone Company.

OKANAGAN TELEPHONE COMPANY

Okanagan Telephone Company, incorporated on April 25, 1907, serves a fast-growing area from Mica Creek in the north to Penticton and Okanagan Falls in the south. This encompasses the whole of the famed fruit-growing Okanagan Valley in south-central British Columbia.

The company has 21 central offices in 16 exchanges including such communities as Vernon, Salmon Arm, Revelstoke, Kelowna and Summerland.

The largest telephone exchange is Kelowna with 30,009 installations, followed by Vernon and Penticton. Smallest exchange is Oyama with 430 telephones.

* * *

During 1974, the Okanagan Telephone Company carried out a \$8,500,000 construction program and by the end of the year had 84,280 telephones connected, an increase of 11,588 in the 12-month period.

The company initiated automatic service in 1951 at Oyama and Winfield, and completed the program of converting its entire system to dial in 1959. Direct Distance Dialing came to the area in 1960 when automatic toll ticketing equipment was installed at Penticton, Kelowna, Vernon and Salmon Arm to permit station-to-station long distance calls to be customer dialed.

* * *

Okanagan Telephone Company employees numbered 1,684 at the end of 1974.

December 31, 1974

BRITISH COLUMBIA TELEPHONE COMPANY

TELEPHONES IN SERVICE

<u>Year</u>	<u>Total Telephones in Service at December 31</u>	<u>Percentage Increase</u>	<u>Percentage of Total Telephones Under Dial Operation</u>	<u>Percentage of Total Telephones with Direct Distance Dialing Facilities</u>
1950	246,486	8.9	42.6	%
1951	263,374	6.9	42.3	
1952	284,947	8.2	42.7	
1953	310,690	9.0	42.9	
1954	343,441	10.5	50.1	
1955	371,042	8.0	55.6	
1956	412,135	11.0	64.0	
1957	452,157	9.7	67.1	
1958	480,707	6.3	71.4	
1959	505,432	5.1	79.4	
1960	522,780	3.4	87.4	
1961	568,022	8.7	90.4	54.1
1962	594,292	4.6	96.9	67.3
1963	625,103	5.2	97.7	68.4
1964	661,708	5.5	98.3	70.1
1965	709,564	7.2	98.6	72.7
1966	761,129	7.3	98.7	72.2
1967	813,063	6.8	99.0	74.8
1968	867,880	6.7	99.6	87.5
1969	924,122	6.5	99.7	88.7
1970	982,503	6.3	99.7	91.6
1971	1,039,249	5.8	99.7	91.2
1972	1,113,563	7.2	99.7	92.0
1973	1,208,963	8.6	99.7	94.0
1974	1,298,922	7.4	99.7	99.6

BRITISH COLUMBIA TELEPHONE COMPANY

TELEPHONES IN SERVICE (CONT'D)

<u>December 31</u>	<u>Total Stations</u>	<u>Business</u>		<u>Residence</u>	
		<u>Stations</u>	<u>%</u>	<u>Stations</u>	<u>%</u>
1950	246,486	80,299	32.6	166,187	67.4
1951	263,374	84,739	32.2	178,635	67.8
1952	284,947	89,703	31.5	195,244	68.5
1953	310,690	96,136	30.9	214,554	69.1
1954	343,441	104,923	30.6	238,518	69.4
1955	371,042	112,731	30.4	258,311	69.6
1956	412,135	123,131	29.9	289,004	70.1
1957	452,157	132,813	29.4	319,334	70.6
1958	480,707	138,666	28.8	342,041	71.2
1959	505,432	145,101	28.7	360,331	71.3
1960	522,780	148,657	28.4	374,123	71.6
1961	568,022	162,566	28.6	405,456	71.4
1962	594,292	168,095	28.3	426,197	71.7
1963	625,103	175,510	28.1	449,593	71.9
1964	661,708	186,476	28.2	475,232	71.8
1965	709,564	199,878	28.2	509,686	71.8
1966	761,129	214,795	28.2	546,334	71.8
1967	813,063	229,805	28.3	583,258	71.7
1968	867,880	244,677	28.2	623,203	71.8
1969	924,122	264,280	28.6	659,842	71.4
1970	982,503	281,829	28.7	700,674	71.3
1971	1,039,249	297,689	28.6	741,560	71.4
1972	1,113,563	318,033	28.6	795,530	71.4
1973	1,208,963	349,906	28.9	859,057	71.1
1974	1,298,922	380,330	29.3	918,592	70.7

BRITISH COLUMBIA TELEPHONE COMPANY

TELEPHONE DEVELOPMENT SUMMARY

<u>Year</u>	<u>Telephones per 100 Population</u>	
	<u>British Columbia</u>	
	<u>Telephone Company</u>	<u>Canada</u>
1950	27.4	21.0
1951	28.1	21.8
1952	29.4	22.8
1953	30.1	23.9
1954	31.6	24.8
1955	32.7	26.1
1956	34.4	27.5
1957	35.7	28.6
1958	36.6	29.6
1959	37.4	30.9
1960	37.9	31.7
1961	36.7	32.6
1962	37.7	33.7
1963	38.8	34.8
1964	40.0	36.0
1965	41.0	37.5
1966	42.2	39.0
1967	43.6	40.5
1968	45.4	42.1
1969	46.6	43.7
1970	48.2	45.2
1971	49.7	46.8
1972	51.5	50.0
1973	51.0	52.5
1974	53.2	54.9

BRITISH COLUMBIA TELEPHONE COMPANY

TELEPHONE TRAFFIC VOLUME

<u>Year</u>	<u>Local Calls Daily Average</u>	<u>Toll Calls Completed Daily Average</u>
1950	1,336,000	19,500
1951	1,411,000	22,000
1952	1,498,000	23,600
1953	1,580,000	25,000
1954	1,789,000	30,000
1955	1,905,000	35,000
1956	2,436,000	40,000
1957	2,701,000	45,000
1958	2,929,000	47,000
1959	3,130,000	48,000
1960	3,247,000	51,000
1961	3,565,000	57,000
1962	3,374,000	58,000
1963	3,647,000	59,000
1964	3,981,000	66,000
1965	4,391,000	76,000
1966	4,834,000	85,000
1967	5,286,000	94,000
1968	5,557,000	104,000
1969	6,054,000	122,000
1970	6,281,000	137,000
1971	7,085,000	155,000
1972	7,282,000	164,000
1973	7,755,000	204,000
1974	8,574,000	252,000

BRITISH COLUMBIA TELEPHONE COMPANY

RADIO DEVELOPMENT

The mountainous terrain of British Columbia presents many obstacles to construction of land line telephone transmission facilities. This fact has contributed to B.C. Tel's leadership in development of radio facilities to provide telephone circuits throughout the province.

The first radio link was installed in 1929 between Campbell River and Powell River, a distance of 40 miles. A network of single channel radio systems gradually became established to provide communications to coastal communities between Vancouver and Prince Rupert. But it was not until the 1950's that multi-channel radio systems became available and began to overshadow traditional open-wire circuits.

* * *

In late 1957 B.C. Tel's first heavy-route microwave system was placed into service. This system, known as the Trans-Canada TD2, provided more reliable inter-Provincial circuits and carried the CBC television network between B. C. and eastern Canada. Since 1957, this initial microwave system has expanded into a comprehensive network serving nearly all of the larger communities in the Province. Today the Company operates about 7300 route miles of toll radio relay systems, with capacities ranging up to 1320 voice circuits per radio channel.

These radio systems - Microwave, Ultra-High Frequency (including Tropospheric Scatter), and Very High Frequency - provide circuits for local and long distance telephone services, national defence systems, data and faxcom, teletypewriter exchange services (TWX), and many other facilities. The CBC and CTV television networks are also extended to many centers in B. C. over the B.C. Tel network, and the CBC radio program distribution system is provided and maintained by B.C. Tel.

Radio Development - Continued

* * *

In 1970 B.C. Tel completed a second microwave route, the Northern Inter-Provincial Radio System, linking B. C. with the rest of Canada. This new route met expanding growth requirements and provided route diversity for inter-Provincial circuits. In 1972 B.C. Tel also completed a microwave link between Vancouver and the two satellite earth stations at Lake Cowichan, carrying the voice, data, and television traffic to be transmitted via satellite between Lake Cowichan and Eastern Canada or the many countries on the Pacific Rim served by the Intelsat System. In 1974 B.C. Tel completed the first phase of a CATV microwave network. This network carries two CATV channels from a head-end site at Haney to CATV operators at Vernon and Kamloops.

* * *

B.C. Tel operates one of the largest public mobile radiotelephone networks in North America, consisting of 13 operating centers and 167 radio terminals. These facilities serve 4000 land mobile radiotelephone subscribers in B. C. and 5000 vessels on the B. C. coast on bands in the Medium Frequency, High Frequency, Very High Frequency and Ultra High Frequency spectrum. Radio-telephone service is now available on all major highways in B. C. through the Very High Frequency FM network.

* * *

In 1968, B.C. Tel introduced a Pocket Paging system to allow a person, away from his office, to be alerted to telephone his office as soon as possible. This service is now available to subscribers in Greater Vancouver, Victoria, Kamloops, and Prince George. The paging control facilities were recently expanded to accommodate up to 10,000 individual subscribers.

BRITISH COLUMBIA TELEPHONE COMPANY

G L O S S A R Y

TELEPHONE ABBREVIATIONS

AAU	Automatic Answering Unit	CAMA	Centralized Automatic Message Accounting
AARU	Automatic Answering & Recording Unit	CATV	Community Antenna Television
ACD	Automatic Call Distribution	CAX	Community Automatic Exchange
ADU	Automatic Dialing Unit	C-1 EAX	Canadian Model #1 of Electronic Automatic Exchange
AIOD	Automatic Identification on Outward Dialing (Centrex only)	CB	Common Battery
AM	Amplitude Modulation	CCTV	Closed Circuit Television
AMA	Automatic Message Accounting	CI	Concentrator Identifier
ANC	All Number Calling	CLO	Circuit Layout Order
ANI	Automatic Number Identification	CO	Central Office or Chief Operator
ANIK	Telesat Canada's Domestic Satellites	COTC	Canadian Overseas Telecommunication Corporation
ATB	All Trunks Busy	CPE	Customer-Provided Equipment
		CRB	Customer Records and Billing
B or BUS	Business Service	CRC	Commercial Record Card
BAR	Business Account Representative	CT	Coin Telephone
BCT	B. C. Telephone Company	CTCA	Canadian Telecommunications Carriers Association
BIS	Business Information Systems	CT&S	Canadian Telephones & Supplies Ltd.
BMEWS	Ballistic Missile Early Warning System	CWO	Custom Work Order
BRA	Base Rate Area	CXL	Centrex Extra Listing
BY	Busy		

G l o s s a r y

Telephone Abbreviations

DA Doesn't Answer or Directory Assistance (depending on context)

DAK Denies All Knowledge (re items billed)

DAS Directory Assistance Service

DB Decibel

DDD Direct Distance Dialing

DEX Daily Except

DIR Directory

DLY Daily

DM Desk Monophone

DP Drop

DSI Dial Selective Intercom

DXL Delayed Extra Listing

DXS Daily Except Sunday

DXSS Daily Except Saturday and Sunday

EAS Extended Area Service

EAX Electronic Automatic Exchange

EDDD Expanded Direct Distance Dialing

EDP Electronic Data Processing

ESS Electronic Switching System

ETV Educational Television

EXCH Exchange

4A X BAR 4A Crossbar Toll Switching Machine

FCO Foreign Central Office

FM Frequency Modulation

FTW Federation of Telephone Workers

FW-1 Four Wire Model #1 (Swbd.)

FX Foreign Exchange

HF High Frequency

HM Hang-up Monophone

IDDD International Direct Distance Dialing

IDF Intermediate Distributing Frame

I/M Inside Move

In-WATS Wide Area Telephone Service for Incoming Calls

IX Interexchange

JO Job Order

KIL Key-in-lieu (of telephone)

LAMA Local Automatic Message Accounting

G l o s s a r y

Telephone Abbreviations

LLC	Line Load Control	OP	Off-premises or Outside Plant
LS	Loudspeaker	OPX	Off-premises Extension
LD	Long Distance		
LPL	Listed Under Primary Listing	PABX	Private Automatic Branch Exchange
LW	Leased Wire	PAX	Private Automatic Exchange
LYP	List in Yellow Pages	PB	Party Business
		PBX	Private Branch Exchange
MAG	Magneto	PCM	Pulse Code Modulation
MAP	Market Assignment Plan	PIP	Performance Improvement Program
MC	Main Classification (In Yellow Pages)	PL	Primary Listing or Private Line
MDA	Market Development Area	PN	Program Transmission (Network IX)
MDF	Main Distributing Frame	PP	Private Property
MIL	Mileage	PSRT	Public Service Radio Terminal
MULTICOM	High Speed Data Transmission Service	PT	Program Transmission (Local)
		PUB	Public or Public Telephone Service
NIPRS	Northern Inter-Provincial Radio System		
NO	Number	R or RES	Residence Service
NO CHG	No Charge	RC	Radio Control Circuit
NPA	Numbering Plan Area	RDI	Rate Determination Inquiry
NRC	Nonrecurring Charge	RO	Routine Order
		RT	Regular Type Listing
OB	Outdoor Booth	R/W	Right of Way
1L	One-inch Information Listing		
ONI	Operator Number Identification		

G l o s s a r y

Telephone Abbreviations

RX	Residence Extension	T&C	Time and Charges
RXL	Residence Extension Listing	TACS	Telephone Alarm Control System
		TC	Touch Calling
SAGE	Semi-Automatic Ground Environment	TCTS	Trans-Canada Telephone System
SAL	Study Area Location	TD	Temporary Disconnection
SATT	Strowger Automatic Toll Ticketing	TELPAK	A Service re the Leasing of Wideband Channels between two or more points.
SAU	Secretarial Answering Unit	TEOP	Traffic Engineering Outline of Plan
SC	Signal Circuit	TESAC	Telephone Employees Social and Athletic Club
SCC	Service Connection Charge	TH	Trademark Heading
SCCS	Software Controlled Communication Service	TFR	TWX Facility Request
SCHG	Surcharge	TN	Trade Name Listing
SCO	Service Central Office	TO	Take Out
SERV SEC	Service Section	TP	Telephoto or Teleprocessing
SO	Service Order	TR	Traffic Recommendation or Trademark Regular Type Listing
SR	Service Representative	TRF	Transfer
SRN	Siren Circuit	TS	Toll Station
SRO	Special Repair Orders	TSO	TWX Sales Order
SS	Suspension of Service	TSPS	Traffic Service Position System
SSB	Single Sideband	TT	Toll Terminal
ST&B	Supply, Transportation & Buildings Department	TTRK	Tie Trunk
STN	Station	TTY	Teletype
SUB	Subscriber	TWX	Teletypewriter Exchange Service
SWBD	Switchboard		

G l o s s a r y

Telephone Abbreviations

U/G	Underground
UHF	Ultra-High Frequency
VC	Verification Call
VF	Voice Frequency
VHF	Very High Frequency
VID	Video
VN	Video Network
VO	Voice Operated
VT	Video, Local
TVS-VU	Video Pickup
TVS-VS	Video Transmission Service
W	Wall
WATS	Wide Area Telephone Service
WO	Work Order
WP	Wiring Plan or Weatherproof
XL	Extra Listing
ZENITH	A Special Form of Reversed Charge Calling

BRITISH COLUMBIA TELEPHONE COMPANY

G L O S S A R Y

TELEPHONE TERMS

Acoustic Monophone

A telephone handset equipped with an adjustable volume control to amplify reception for hard-of-hearing users or for noisy locations.

Airline Measurement

The shortest distance between two points.

Base Rate Area

The area within which individual and two-party main station exchange services are furnished at basic monthly rates without the application of exchange mileage charges.

Central Office

One or more central office units, at the same location, serving a common area.

Central Office Area

The area served by a single central office.

Central Office Unit

An assembly of equipment arranged for interconnecting customers' lines and trunks for providing telephone communication between customers in a given group, and for furnishing access for these customers to other such units and to the long distance facilities of the Company.

Centrex

Service providing direct inward and outward dialing for PABX extensions. The PABX is assigned a district central office code, and made a part of the numbering plan. A main listed number will give access to the PABX operator.

Circuit

The name applied to a wire or pair of wires over which telephone service is furnished. The former is termed a "grounded" circuit and the latter, a "metallic" circuit.

Circuit Measurement

The measurement upon which is based a charge for the use of part or all of a circuit furnished by the Company.

Coin Telephone

(See Public Telephone and Semi-Public Telephone.)

Common Battery Service

The type of telephone service in connection with which energy for talking and signalling is supplied from a central point. Common battery service is usually recognized as that type of service by which a central office operator is signalled by moving the receiver switch on the customer's instrument, although common battery energy also is used in connection with automatic switching equipment.

G l o s s a r y

Telephone Terms

Connecting Company

A corporation, association, firm or individual owning and operating a toll line or one or more central offices with which traffic is interchanged.

Consecutive Numbers

The telephone numbers assigned to the individual circuits of a circuit group, so arranged that although only the first or listed number is called, the call may be completed over the first nonbusy circuit in the group.

Construction Charge

A charge billed to a customer based upon the cost of labor and material where unusual costs are involved in the establishment of the service.

Directory Listing

A customer's name, address and telephone number published in the Company's telephone directory.

Emergency Calls

Calls put through in any exchange in case of fire or accident or other emergency when assistance is quickly and urgently required.

Emergency Service

Service supplied out of regular hours at exchanges where continuous service is not provided.

Exchange

A basic unit for the administration of telephone service. An exchange services a community that normally has a city, town or village as its center and often includes outlying rural districts. Service is provided from one or more central offices.

Exchange Area

One or more central office areas within which exchange rates apply.

Exchange Service

The telephone service provided within an exchange area, including connection to the nearest toll switchboard.

Exchange Station

A telephone station furnished under a contract for exchange service.

Exchange Trunk

A circuit connecting a private branch exchange switchboard with a central office.

Extended Area Service

Interexchange telephone service furnished between two or more exchange areas at flat or measured exchange service rates. The service may be introduced by the Company on a non-optional basis subject to its acceptance by a majority of the customers involved under the extended area service plan.

G l o s s a r y

Telephone Terms

Extended Service Area

The area comprising one or more exchange areas, defined under an extended area service.

Extension Bell

An auxiliary bell separate from the station bells, but connected to the same circuit and operated in conjunction therewith.

Extension Circuit

A circuit connecting an extension station with a main station, or a private branch exchange station with a private branch exchange switchboard.

Extension Line Mileage

The air line measurement of an extension circuit for which a charge is made.

Extension Station

An additional station connected to the same circuit as the main station and subsidiary thereto.

Flat Rate Service

A class of exchange service furnished to a customer for which a charge is made irrespective of the extent of use, as distinguished from measured rate service.

Foreign Exchange Mileage

The air line measurement for the inter-exchange facilities required to provide foreign exchange service.

Foreign Exchange Service

A flat rate message toll service. The subscriber is furnished with an individual line exchange telephone or PBX trunk from an exchange which does not normally serve the area in which the subscriber is located.

Free Calling Area

An exchange area or a group of exchange areas wherein calls between stations are not subject to message toll charges.

Individual Line Service

A class of exchange service which provides for only one main station per circuit.

Inside Station

A private branch exchange station or extension station located on the same premises as the private branch exchange switchboard or main station to which it is connected.

Installation Charge

A charge based on the cost of processing the order and the actual cost of labor and material involved in the installation of interior wiring and certain types of equipment.

In-WATS

Service which allows a customer to place a direct dialed call (free of charges) to a company for the purpose of placing an order or to make a reservation.

G l o s s a r y

Telephone Terms

Jack

A fixed socket designed to permit the establishment of a telephone connection by means of a plug-ended cord.

Key

A switch used for connecting or disconnecting a station, bell or circuit.

Line

A name often used when referring to a wire or the pair of wires over which any type of telephone service is supplied.

Local

A term sometimes used to denote a private branch exchange station.

Locality Rate Area

A community located within an exchange area, but not included in the base rate area, where, because of its concentrated telephone development and the demand for urban grades of service, a commuted mileage charge applies in lieu of the regular exchange line mileage charge on individual and two-party line services.

Loop

The closed path in an electrical circuit. A subscriber's loop. The pair of wires from a central office out to the subscriber's telephone.

Magneto Service

The type of service which requires the use of a hand generator at the customer's station in order to signal the operator, and a local battery to provide the talking current.

Main Station

A station directly connected with a central office by means of an individual or party line circuit. Also called Primary Service.

Measured Rate Service

A class of exchange service which is charged for wholly or in part on the basis of extent of use, and for which a coin collecting device is not required.

Metropolitan Area

A large community or group of communities served by one or more exchanges and/or central offices.

Mileage

The measurement upon which is based a charge for the use of part or all of a circuit furnished by the Company.

Mileage Center

The point in each central office area from which multi-party exchange mileage is measured and which is used in the calculation of extension line mileage charges.

G l o s s a r y

Telephone Terms

Miscellaneous Equipment

Auxiliary equipment furnished in addition and subsidiary to facilities provided in conjunction with primary exchange service.

Multicom

High speed data transmission service (2400 to 50,000 bits per second).

Multi-office Exchange

An exchange served by two or more central offices.

Off-premises Station

A private branch exchange station or extension station located on premises separate from the private branch exchange switchboard or main station to which it is connected.

Party-line Service

A class of exchange service which provides that more than one main station may be served by the same circuit.

Portable Telephone

A telephone equipped with a plug-ended cord, providing a detachable connection with a line terminating in a jack or jacks.

Private Branch Exchange System

An arrangement of equipment consisting of a group of telephone stations connected with a switchboard or other switching device providing for telephone communication between the stations. By means of trunks, communication is also provided with the central office.

The following classes are available:

Automatic System (PABX)

A private branch exchange system using a dial controlled switching unit to provide intercommunication and outgoing service, also equipped with an attendant's position for receiving and distributing incoming calls. The system is usually termed a private automatic branch exchange (PABX).

Cordless Switchboard System

A system employing a switchboard through which connections are made by means of keys.

Cord Multiple Switchboard System

A system employing a switchboard through which connections are made by plug-ended cords, but having more than one appearance of trunk and station jacks.

Cord Nonmultiple Switchboard System

A system employing a switchboard through which connections are made by plug-ended cords and having only one appearance of trunk and station jacks.

G l o s s a r y

Telephone Terms

Private Branch Exchange System (Cont'd)

Circuits, equipment and facilities ordinarily furnished in connection with private branch exchange service include the following:

Attendant Switchboard Position

A switchboard position required for the handling of incoming calls for a private automatic branch exchange.

Attendant Trunk

A circuit connecting the mechanical switching equipment with the attendant position of a private automatic branch exchange.

Private Branch Exchange Station

A station connected to a private branch exchange.

Private Line

A voice grade circuit between two or more points.

Public Telephone

An exchange telephone with coin collecting device (coin telephone) installed on the Company's initiative, or at the Company's option, at a location chosen or accepted as suitable and necessary for furnishing service to the general public.

Rate Center

The point in each exchange from which distances are measured for the calculation of charges for interexchange services.

Residence Service

Exchange telephone service installed in a private residence or private living quarters, and used only for the social or domestic affairs of the household.

Restricted Service

A limited service furnished extension stations or private branch exchange stations providing intercommunicating service only.

Route Measurement

The actual length of a circuit between two points.

Semi-Public Telephone Station

A coin telephone installed with the approval of the Company in locations to which both the customer and general public have access, minimum daily receipts being guaranteed by the customer, who also is entitled to a directory listing.

Service Connection Charge

A charge made to cover the clerical work incidental to the establishment of the service.

Service Entrance

The cable or wire that enters the private property and building from the exchange cable feed to the main cross-connecting terminal within a building.

G l o s s a r y

Telephone Terms

Speakerphone

A telephone equipped with a microphone and control keys, used in conjunction with a loudspeaker and a power unit to provide a loudspeaking feature.

Station Connection

The interior and exterior cable or wire, except the entrance circuits, located on private property.

Station Jacks

The jacks on a private branch exchange switchboard for the connection of station circuits.

Subscriber

An individual or entity contracting for any form of service furnished by the Company, generally referred to as our customers.

Telephone Number

The seven-digit number assigned to a telephone station or private branch exchange system for convenience in operating. The first two digits identify the central office or exchange, the third digit the central office unit within the exchange, the remaining four digits identify the particular customer's circuit or line within the central office unit of the exchange.

Telephone Station

A telephone, consisting of a transmitter, receiver and associated apparatus which permits telephone conversations with other stations.

Telpak

A "bulk rate" arrangement for customers who require a large number of circuits for full-time use over a given intercity route.

Temporary Disconnection

A temporary or partial discontinuance of service without termination of contract.

Tie Trunk

A circuit providing intercommunication between private branch exchanges of the same or separate subscribers, and over which central office service may be extended.

Toll Station

A method of providing telephone service to persons in rural areas outside of any exchange.

Toll Terminal

A direct circuit from a customer's premises to the Company's long distance switchboard used solely for long distance connections.

Touch Calling

Instead of the conventional rotary dial, the Touch Calling telephone has 12 push buttons that may be pressed in quick succession. Ten of the buttons are for the 10 digits and there are two extra buttons for future special requirements, such as data transmission or computer access.

G l o s s a r y

Telephone Terms

Transfer of Calls

An arrangement by which calls for one telephone number may be transferred to another specified telephone number for a stated period.

Trunk

A circuit connecting a private branch exchange switchboard with a central office.

Trunk Jacks

The jacks on a private branch exchange switchboard for the connection of exchange trunks.

Voicecom

A special type of intercity voice service for calls between two or more specified numbers.

Wiring Plan

An arrangement of telephone equipment and wiring with which keys are provided, designed to meet the special needs of a subscriber.

BRITISH COLUMBIA TELEPHONE COMPANY

CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

TELEPHONE LINES

Business Individual Lines
 Business Measured Lines
 Outgoing Trunk Service
 Incoming Trunk Service
 Two-Way Trunk Service

Individual Residence Lines
 Two-Party Residence Lines
 Multi-Party Residence Lines
 Multi-Party Business Lines
 Centrex Business Lines (custom)

STANDARD CUSTOMER
EQUIPMENT AND SERVICES

Desk Phones
 Wall Phones
 Hang Up Telephones (recovery only)
 Starlite Telephones
 Panel Phones

Styleline Phones
 Extension Telephones
 Portable Telephones
 Loudspeaking Telephones (3 types)
 Colored Telephones in various colors

Dectorator Telephones (2 types,
 various styles) Candlesticks on
 recovery only
 Privacy Arrangement (2 types)
 Switching and Control Keys
 (9 varieties)
 Busy Out Service

Long Cords (2 sizes)
 Retractable Cords (1 size) special
 request only
 Auxiliary Audible Signals
 Buzzers
 Gongs
 Chimes
 Bells
 Howlers

STANDARD CUSTOMER
EQUIPMENT AND SERVICE (Cont'd)

Auxiliary Visual Signals
 Neon Lights
 Lamp Signals (3 sizes)
 Hard-of-Hearing Handset (3 types)
 Automatic Dialing Units (data only)
 Secretarial Answering Units (3 sizes)
 Confidencer

Multi-Line Telephones
 Type 85 Recover & Junk
 Type 86 " "
 Type 87 " "
 Type 186
 Type 187
 Logic 10-20

Multi-Line Adapters (9 sizes)
 Call Directors (2 sizes)
 Touch Calling
 Consecutive Number Service
 Transfer of Calls
 Vacation Service
 Directory Assistance Service
 Repair Service

COIN TELEPHONES

Outdoor Public Service
 Indoor Public Service
 Semi-Public Service
 Ship-to-Shore Public Service

CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

LONG DISTANCE

Credit Cards
 Call Collect
 Zenith Service
 Conference Calling
 Full Time WATS - to dialable points

Measured WATS - to dialable points
 Special Billing
 Station-to-Station Service (5 types)
 Person-to-Person Service
 Direct Distance Dialing (DDD)

Third Number Billing
 Intratel
 In-WATS
 Voicecom

SWITCHBOARDS

Manual Switchboards
 Type 551 - 4 sizes available
 Type 555 - 4 sizes available
 Cordless - 3 sizes available

Automatic Switchboards
 Type 19 - B - 5 (sold on recovery basis only)
 Type 40 (recovery basis only, no new purchases)
 Type 80
 Type 90 - B - 20
 Type 75 (custom built to meet requirements) additions only
 Type 300 Series (several sizes) additions only
 AKD 741
 GTX 400
 SG-1

Locals on Switchboards
 Standard Locals
 Restricted Locals (2 types)
 Off Premises Locals
 Extension Locals

SWITCHBOARDS (Cont'd)

Auxiliary Services Available on most Automatic Switchboards:

Headsets (various models)
 Code Call (3 sizes)
 Busy Lamp Cabinets
 Emergency Power Supply
 Operator Recall
 Equipment Dollies
 P.A. Cut-in
 Trunk Busy Out Feature
 Predetermined Night Answering
 Station Overlining
 Divided Trunking
 Automatic Answering Circuits
 Background Music on Incoming Held Calls
 Executive Quick Call
 Zone Answering
 Universal Night Answering
 Universal Day/Night Answering

Dictation Recording Links
 Conference Service Manual
 Conference Service Automatic
 Call Forwarding
 Abbreviated Dialing

HOTEL/MOTEL SERVICES

Switchboards Manual
 Type 555
 Type 551

Switchboards Automatic
 Type 40M
 Type 80M
 Type 320 (additions to existing only)
 Type AKD 741 Motel/Hotel
 Type GTX 400 Series 10

CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

HOTEL/MOTEL SERVICES (Cont'd)

Auxiliary Services Available on most Automatic Boards:

- Message Waiting
- Message Waiting Telephones
- Maid Minder
- Toll Trunks
- Wake-up Service
- Random Restriction
- Message Register
- Toll Restriction
- Room-to-Room Calling
- Room-to-Room Blocking
- Room Station Numbering
- Single-Digit Dialing

DIRECTORY SERVICE

- Residential Extra Listings
- Business Extra Listings
- Yellow Page Listings (business)
- Yellow Page Display Ads
- Nonpublished Listings
- Nonposted Listings
- Joint User Service

CUSTOM CALLING FEATURES

(in electronic exchanges only)

- Touch Calling
- Three-Way Calling
- Call Waiting
- Speed Calling (3 sizes)
- Limited to certain type of EAX's

INTERCOM

- Buzzer Systems
- Dial Selective Intercom (3 sizes)
- Ring Master (recovery basis only, additions to existing systems only)

- Automatic Point-to-Point
- Enterphone
- Private Automatic Intercom Systems (2 sizes)

PAGING SERVICES

- Enclosed Speakers (10 types)
- Horn Speakers (6 types)
- Amplifiers (2 sizes)
- Microphones (2 models)
- Answer Back Feature
- Area Selection (4 types)
- (all above, recovery basis only and additions to existing systems only)

- P.A. Cut-in - Automatic
- P.A. Cut-in - Manual

FOREIGN EXCHANGE

- Inter-City Exchange Service
- Tie Trunk Service
- Foreign Central Office Service

PRIVATE LINE SERVICE

- Full Period Inter-City Service
- Full Period Intra-Exchange Service
- Tie Line Service
- Automatic Signalling

TELETYPE

- Manual Units (4 types)
- Automatic Units (4 types)
- Switching Equipment (4 models)
- High-Speed Service
- Type Send and Receive Units
- Terminet 300 PL/Switched

TWX

- Manual TWX Service
- Automatic TWX Service
- TWX Conference Service
- Collect Call Service

CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

COMPUTER COMMUNICATIONS (DATA)

Dataspeed Transmitter (5 models)
 Dataspeed Receiver (3 models)
 Data Subsets (19 models)
 Dataline I, II and III Services
 Datacom 100, 300 and 600

Telpak A, B, C
 M.S.D.S. (Message Switching
 Data Service)
 Datapac
 Multicom I, II and III
 Voicecom I, II

1B Data
 VUcom I and 2
 Faxcom
 Dataroute
 Computer Trunk

LEASED CIRCUIT FACILITIES for:

Off Premises Extensions
 Off Premises Locals
 Facsimile
 Transceiver
 Telegraph

Telephoto
 Wirephoto
 Wired Music
 Signal Circuits
 Closed Circuit TV

Program Transmission
 Radio and TV Broadcast
 (National and Regional)
 Private Lines
 Foreign Exchange and Tie Trunks
 Telemetry Circuits

Dataphone
 Electrowriter
 Telpak (3 sizes)
 Control Circuits

Teletype
 Data (4 types)
 Data Route/Digital

RADIOTELEPHONE

Mobile Service
 Radio Toll Station Service
 Private Radio Systems
 (custom built to meet requirements)
 Direct Dispatch Service
 Ship-to-Shore Service

Portable Radio Service
 Auxiliary Equipment for most
 Radiotelephones
 Selective Signalling

Remote Control Units
 Repeater
 Antennas
 City-Wide Pocket Paging Service

SPECIALIZED CUSTOMER EQUIPMENT AND SERVICES

Telephone Service for Trains
 Telephone Service for Ships
 Transmitter Cut-Out Service
 Weatherproof Housings
 Portable Amplifying Service

Voice Recorder Connector Units
 Electronic Sentries
 Electrowriters
 Artificial Larynx (2 options)
 Monitoring Cabinets

Recorder Connectors
 Recorder Couplers
 Alarm Couplers
 Voice Recorder Starter

Headset/Dial Assembly
 Watchman Services
 Quotation Broadcast Service
 - Brokers
 Annunciator Systems (2 sizes)
 Concentrator Identifier Service

Call Answering Switchboards
 Incoming Metered Service
 Emergency Alerting
 Emergency Reporting

CUSTOMER COMMUNICATION SERVICES AND EQUIPMENT

SPECIALIZED CUSTOMER
EQUIPMENT AND SERVICES (Cont'd)

Volunteer Emergency Systems

Facilities to provide:

Time of Day

Dial-a-Prayer, etc.

Market Reports (TV or voice)

Weather Bulletins

Automatic Time Announcing

Facilities for Community Antenna
Systems

Automatic Call Distribution (3 sizes)

Centrex Service (custom built to
meet requirements)

Order Turret Service

Key Conference Service

BRITISH COLUMBIA TELEPHONE COMPANY

TELEPHONE NUMBER DIRECTORY

Executive		Business	Home
Vice-President - Service	G. F. Auchinleck	662-8595	263-5000
Vice-President, General Counsel & Secretary	R. J. Bouwman	662-8013	687-8950
Vice-President - Administration	J. C. Carlile	662-2811	980-4400
Vice-President - Operations	T. F. Heenan	662-8771	266-2755
Vice-President - Corporate Development	G. F. MacFarlane	662-8611	922-7666
Vice-President - Public Affairs	J. A. MacInnes	662-8101	987-1400
Vice-President - Finance	D. B. McNeil	662-8126	224-9352
Vice-President - Service (Staff)	G. M. Smith	662-0171	263-6955
Vice-President - Marketing	R. H. Stevens	662-8181	261-0702
Treasurer	J. N. Stewart	662-2211	922-3553
Vice-President - Personnel & Industrial Relations	F. S. Tucker	662-8711	922-5357
Public Affairs - Vancouver			
Public Information Manager	C. G. Patterson	662-8698	939-1446
Community Relations Manager	W. B. Chapman	662-8063	929-4000
Advertising Manager	B. W. Holliday	662-8064	261-1722
Public Affairs - Victoria			
(Island Division)	K. Horodyski	388-8717	658-1021
Public Affairs - Kamloops			
(Interior Division)	P. D. Harvey	374-4286	372-9614
Public Affairs - Prince George			
(Northern Division)	R. F. Drane	563-1437	564-7335
Personnel			
Director of Industrial Relations	J. B. Lidster	662-8193	922-5500
Director of Supply, Transportation & Buildings			
	E. P. LaBelle	526-0861	683-3636

TELEPHONE NUMBER DIRECTORY

(Cont'd)

Business

Home

East Division - Coastal Area

Manager	C. R. Swabey	662-8004	980-3555
District Managers:			
Vancouver East - Burnaby District	A. A. Hinginbotham	438-2131	266-2022
New Westminster District	T. R. Watson	522-1277	263-5874
Lower Fraser Valley District	R. J. E. Smith	588-9811	435-7216
Upper Fraser Valley District	F. V. Bogle	853-7543	859-9215

West Division - Coastal Area

Manager	G. K. Stenner	662-8027	261-0426
District Managers:			
Vancouver West - Richmond District	J. L. Reid	731-1213	943-9118
Vancouver South District	G. A. Mitchell	872-2432	324-2800
Vancouver Central District	R. Johnston	662-0505	298-1522
North Shore District	B. Bagley	980-2711	926-4449

Island Division

Manager (Victoria)	R. E. Henderson	388-8991	652-1928
District Customer Service Managers:			
Victoria District	B. J. Parker	388-8941	479-4237
Nanaimo District		753-3120	
Campbell River District	C. L. Bennie	287-3324	923-6464

Interior Division

Manager (Kamloops)	T. G. Williams	374-4212	374-3400
Division Customer Service Manager	D. A. Smith	374-4229	372-2100
District Customer Service Managers:			
Kamloops District	R. J. Mark	374-4233	374-1640
West Kootenay District (Nelson)	N. C. Bowman	352-9221	352-6161
East Kootenay District (Cranbrook)	J. J. McGimpsey	426-4848	426-7300

Northern Division

Manager (Prince George)	R. C. Simpson	563-1434	562-1000
District Managers:			
Prince George District	P. W. Hedman	563-1454	563-5800
Terrace District	S. G. Patterson	635-5011	635-3044
Peace River District	W. A. Ronquist	782-3545	782-2121

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